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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
INTERNAL TRADE BRANCH

RECENT PRICE MOVEMENTS ³⁴

Commodities at Wholesale
Cost of Living
Securities
Exchange

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Published by Authority of the Hon. R.B. HANSON, K.C., M.P.,
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Minister of Trade and Commerce

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

(Issued January 9, 1935.)

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RECENT PRICE MOVEMENTS

GENERAL

Price recovery continued on a fairly general scale during 1934, except in those countries known as the 'gold bloc' where gold currency values have been maintained unchanged throughout the past four years. Declines in wholesale price levels within the 'gold bloc' during 1934 ranged from one to ten per cent., but seldom exceeded five per cent. In other countries, advances of from one to five per cent. were common.

The broad uniformity of 1933 international price movements was lacking during the succeeding year. The official Canadian and United States index numbers of wholesale prices, for example, were 5.6 points apart in September, 1934, representing the greatest divergence between these two series that has occurred since March, 1923. During the late summer months the United States index continued to advance steadily while the Canadian number tended to maintain a stable position at approximately 72 p.c. of the 1926 average level. European indexes showed similar divergences. In France a decline of roughly 13 p.c. occurred, while in Germany, immediately adjoining, there was recorded a rise of over 5 p.c. Erratic price movements in the United Kingdom resulted in a net increase of less than 2 p.c., while prices in Sweden--whose currency has moved closely in line with the £ sterling--registered a steady advance of approximately 4 p.c. Currency devaluation of 16 2/3 p.c. in February 1934, failed to prevent a decline in wholesale prices in Czecho-slovakia amounting to 11 p.c. The Tokyo index for Japan commenced to rise sharply in the latter part of 1934, after a gradual decline of a year's duration.

CANADA

The relative stability of price levels in 1934 offered a marked contrast to the violent changes occurring in the preceding four years. This new movement toward equilibrium could be discerned in common stock prices, and foreign exchange, as well as in commodity markets. A pronounced rise in bond prices, indicative of a plentiful supply of investment funds, furnished the only major exception to the tendency in other price fields.

It is a striking fact that the steadiness in price levels followed closely after gold prices began to move within narrow limits at approximately 65 p.c. above the former mint price of \$20.67 per ounce. The premium on gold averaged 68 p.c. in February 1934, as compared with 20 p.c. in February 1933. During the last ten months of 1934, gold prices varied less than 2 p.c., and fluctuations of the official Canadian wholesale price index were within even narrower limits. Between February 1933 and February 1934, wholesale prices had advanced 13.5 p.c., a much less pronounced increase than that recorded for gold.

Common stock prices rose steadily during the first four months of 1934, and then after a moderate reaction, fluctuated narrowly around 85 p.c. of 1926 average levels, during the last five months of the year. The extreme low in common stocks came in June, 1932, eight months ahead of the lowest level of commodity wholesale prices. A sharp rally at that time was followed by further reaction, however, and common stocks were a month behind commodities in the rise which commenced early in 1933. Since then advances have differed materially for the main investment groups. Utilities have mounted roughly 15 p.c., while industrials have risen by well over 100 p.c., and common stock prices as a whole are about 75 p.c. higher. When it is remembered that prices now still average less than in 1926, the severity of the preceding decline becomes apparent. Gold stock prices have risen 90 p.c. since March 1933, and about 150 p.c. since their depression low was reached in June 1932. They are now close to 20 p.c. above levels in 1926.

The rise in living costs of about 2 p.c. during 1934 was attributable chiefly to higher food and clothing prices. Fuel and shelter costs also advanced slightly.

Bond prices rose steadily throughout the year and at its close, were at the highest level reached in over twenty years. In the case of high grade Province of Ontario bonds, the advance in prices during 1934 approximated 30 p.c.

WHOLESALE PRICES, 1934.

From 69.0 in December, 1933; a general index number of wholesale prices advanced to 71.2 in December, 1934. During 1934, it was highest in August at 72.3, and lowest in April and May at 71.1. Throughout the year different price groups continued to move gradually closer towards relationships existing prior to the prolonged decline which commenced in 1929. The position of major commodity groups relative to the average of all commodities, is shown below for the past two Decembers.

	<u>December, 1933.</u>	<u>December, 1934.</u>
All Commodities	100.0	100.0
Producers' Goods	93.2	96.1
Consumers' Goods	106.2	102.8
Raw and Partly Manufactured Materials ..	85.4	90.3
Fully and Chiefly Manufactured Materials	104.3	102.1
Building Materials	116.8	114.5
Canadian Farm Products	77.7	86.5

It will be seen that the groups which were above 100.0 in December 1933, are slightly closer to 100.0 in December 1934. In other words, these groups are less out of line with the average of all commodity prices than they were a year ago. The chief reason contributing to this change has been the continued rise in primary product prices, which in turn has boosted the general wholesale level. Indexes for Canadian Farm Products and Raw and Partly Manufactured Materials which represent primary products almost exclusively, have moved much closer to the average index for all commodities during 1934, than they have been since 1930. This tendency is favourable to an improvement in the purchasing power of primary producing groups, which have been unable in the past few years to buy the same volume of manufactured products as they did before 1930. The beneficial effect of this development upon business is self-evident.

The following comparison of prices in December 1933 and 1934 does not show gains for primary products uniformly greater than those for manufactured products, but on the average their advances have been appreciably larger. Non-ferrous metals, wool, butter, and eggs were the main exceptions to the rule of higher prices among primary products. The comparisons shown are for standard descriptions for commodities specified.

PERCENTAGE CHANGE IN WHOLESALE PRICES OF IMPORTANT COMMODITIES,
BETWEEN DECEMBER, 1933, AND DECEMBER, 1934.

Primary Products

Oats	+ 47
Raw rubber	+ 37
Hogs	+ 23
Wheat	+ 32
Raw cotton	+ 26
Beef hides	+ 11
Pig iron	+ 3
Raw silk	- 3
Pig lead	- 17
Copper	- 18

Manufactured Products

Rolled oats	+ 13
Auto tires	+ 2
Pork carcass	+ 16
Flour	+ 4
Cotton fabrics	+ 3
Shoes	- 5
Steel bars	Unchanged
Silk fabrics	- 11
Lead pipe	+ 9
Copper wire	- 11

COST OF LIVING, 1934.

The Canadian cost of living index number fluctuated between 78.2 and 79.9 throughout 1934, and closed the year at 79.0. Foods were highest in March and lowest in June, gaining gradually again during the last six months of the year. Rentals, after declining steadily since 1930, stiffened and turned upward in the autumn months. Clothing prices continued to advance gradually, registering a gain of roughly 5 p.c. in 1934. Fuel and other items such as household furnishings moved moderately higher. Declines occurred for pharmaceutical and toilet articles, cleaning supplies, and motor car operating costs. At the end of 1934, living costs were 20 p.c. below 1926 levels, but still 20 p.c. above average levels in 1913 for incomes ranging from \$2,000 to \$2,500 per annum. For incomes

THE HISTORY OF THE CHURCH OF CHRIST

of lesser amounts, percentages would show a slightly greater fall from 1926, and a smaller increase over 1913. This is explained by the greater importance of foods in the budgets of families with small incomes. Foods now are close to 30 p.c. lower than in 1926 and less than 6 p.c. higher than in 1913. It should also be pointed out that the recent rise in living costs will affect families with small incomes most, because food prices have risen faster than other budget items which the average family must have.

It is a matter of interest, although perhaps of no great significance, that the general cost of living index and a partial index composed of retail prices exclusive of foods, have moved since 1926 practically on the same level. In other words, the relatively flexible movement of food prices has offset almost exactly the rigid structure of rentals and service costs for such items as electricity, carfare, hospital fees, etc. This has resulted in a net change roughly equal to that registered by retail prices of clothing, house furnishings and supplies, etc. Thus in December 1934, the general cost of living index was 79.0 and that for retail prices (apart from foods) was 78.6. An index of retail prices including foods was 74.1.

SECURITY PRICES, 1934.

The general movement of common stock prices was upward in the first four months of 1934, with the average increase amounting to about 20 p.c. Roughly two-thirds of this gain was lost in the succeeding three months, after which an irregular recovery placed prices at the end of the year approximately 15 p.c. above levels at the beginning. Considerable variation occurred in the movements of different price groups. Industrials generally followed the course outlined above for all common stocks. Within this group, however, price behaviour varied widely. Beverages dropped sharply from 163.6 in January to 86.7 in July, and then recovered to 93.6. Oils moved almost steadily upward throughout the year from 147.0 to 177.8. Pulp and paper fluctuated narrowly between 9.6 and 13.8. The size of these numbers and the difference in the movements indicated, gives some idea of the variety existing in the industrial price field. The index for utilities declined gradually after the first three months of the year from 58.8 to 47.5. This index averaged 70 points less than the one for industrials during 1934. In other words, industrials were 23 p.c. above 1926 price levels, while utilities were 47 p.c. lower than at that time.

Mining stock prices advanced rapidly during the first quarter of 1934, and were fairly steady during the second and third quarters. They declined rather sharply in October and November, but advanced moderately during December. An index of gold stock prices showed a net increase for the year of roughly 24 p.c. Gold stocks continued to advance for six months after prices for gold itself had ceased to rise, and similarly the total appreciation in gold stock prices since the mint par of \$20.67 per ounce was abandoned, has been very much greater than the currency premium established on gold. An index of base metal stock prices was 129.6 in December, as compared with 128.3 in January, and 164.2 in June, when prices were at the highest point of the year.

Lower interest rates were accompanied by a rise in bond prices to the highest levels seen since 1911, of course a corresponding decline occurred in bond yields. An index of yields on high grade Province of Ontario bonds fell from 97.2 in January to 76.2 for December.

FOREIGN EXCHANGE, 1934.

The outstanding feature of 1934 foreign exchange history from a Canadian point of view, was the gradual approach of the £ sterling, the United States dollar and the Canadian dollar towards their previous exchange parities. Although all three of these units are now worth only about 60 p.c. of former gold values, the end of 1934 found the Canadian and American dollars practically at par, and the £ sterling commanding close to \$4.86 at both New York and Montreal. This situation has not been paralleled since September 1931. During the year a small premium on American dollars at Montreal gradually gave place to a discount which for a short time in September exceeded 3 p.c. Sudden weakness in Canadian funds in December reduced this discount to about 1 p.c. The premium on sterling increased from 4.5 p.c. in January to about 6 p.c. in April, but by September, the pound was fluctuating narrowly around \$4.86. Subsequent weakness in the dollar caused sterling again to rise to a premium of about 1 p.c. towards the middle of December. During 1934, in countries formally adhering to old gold parities (including France, Belgium, Holland and Germany) most exchanges appreciated by approximately 4 p.c. The Italian Lira however, showed no net appreciation during this period. The Scandinavian currencies, the Australian, New Zealand, and South African pounds, the Indian rupee, and the Brazilian milreis moved closely in line with the £ sterling. The Japanese yen followed the general movements of sterling, but due to a weak tendency registered a net decline of 6 p.c. at Montreal for 1934; this decline was 2 p.c. greater than the fall in sterling.

NOTE REGARDING RATIO CHART.

The chart on the following page shows ratio changes in the price of gold, common stock prices, and wholesale commodity prices. It indicates that the percentage increase in common stock prices has been considerably greater than that for gold, since the beginning of 1933. The increase in wholesale commodity prices has, on the other hand, been materially less than the advance in gold.

Canadian Price Index Numbers 1929 - 1934

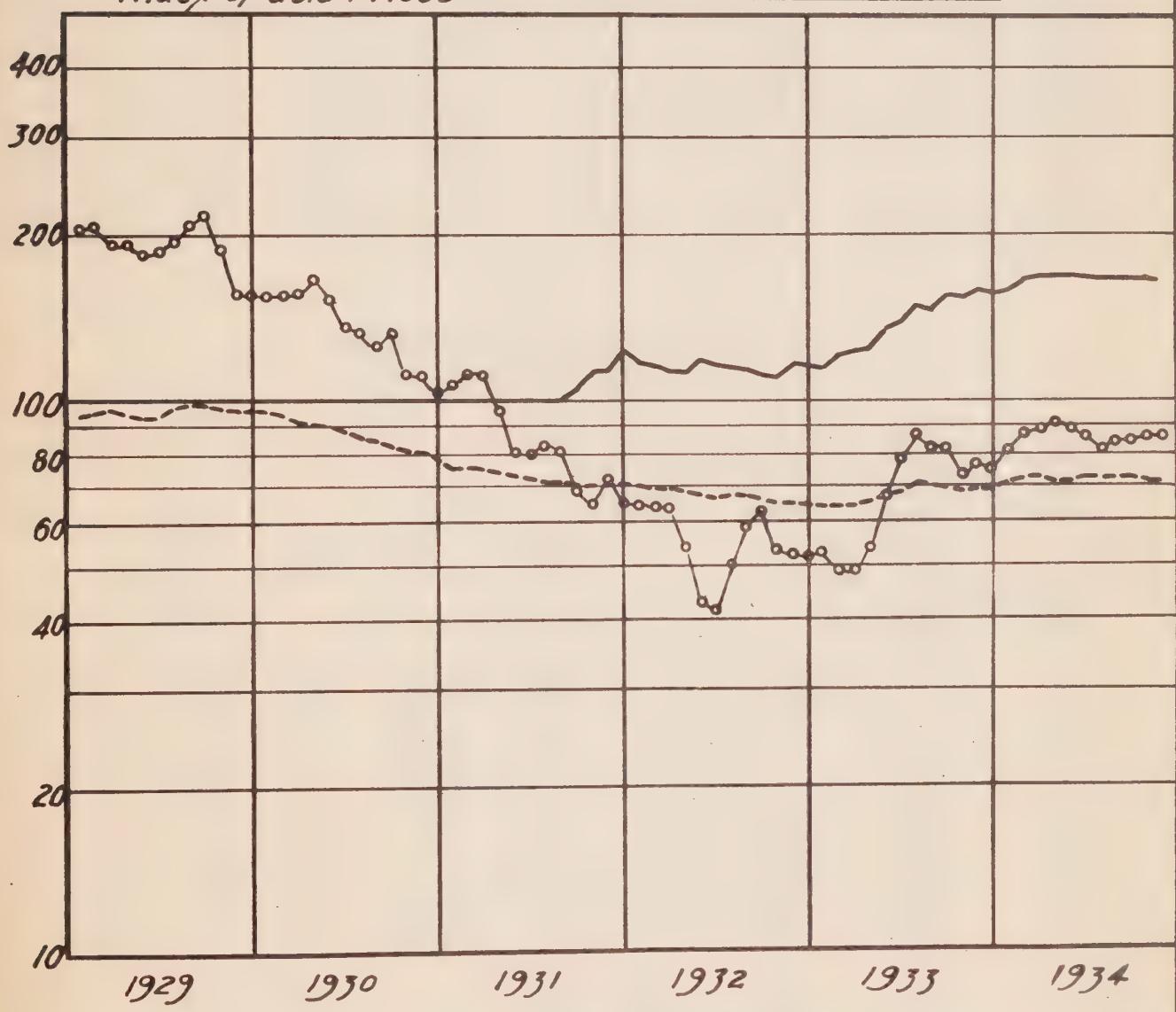
1926 = 100

(Logarithmic Scale)

Wholesale Price Index

Common Stock Price Index

Index of Gold Prices



CANADIAN WHOLESALE PRICE INDEX NUMBERS, 1913-1934
(1926 = 100.0)

	:General	:	:Building	:	Raw and	Fully	:
	:Whole- :Pro-	:Con-	:and	:	Partly	and	:Canadian
	:sale :ducers'	:sumers'	:Con-	:	Manu-	Chiefly	:Farm
	:Prices	:Goods	:Goods	:struc-	tion	factured	:Products
	:	:	:	:Materials	:	Materials	:
	:	:	:	:	:	Materials	:
1913	64.0	67.4	61.9	67.0	63.8	64.8	62.6
1920	155.9	163.1	140.0	144.0	155.7	156.8	161.6
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	97.7	98.5	95.7	96.1	99.9	96.5	102.1
1928	96.4	96.7	95.6	97.4	97.4	95.0	100.7
1929	95.6	96.3	94.7	99.0	97.5	93.0	100.8
1930	86.6	82.8	89.3	90.8	82.2	87.3	82.3
1931	72.1	67.9	76.2	81.9	61.9	74.8	56.3
1932	66.7	63.1	71.3	77.2	55.0	69.8	48.4
1933	67.1	63.1	71.1	78.3	56.6	70.2	51.0
<u>1934x</u>							
January ...	70.6	65.9	74.2	82.1	61.0	73.0	55.3
February ..	72.1	66.9	75.9	82.3	62.9	74.5	58.0
March	72.0	66.9	75.8	82.3	62.1	75.0	56.5
April	71.1	66.6	74.3	83.1	61.3	73.8	55.4
May	71.1	67.2	73.3	83.3	62.2	72.7	56.9
June	72.1	69.0	74.3	84.1	64.5	73.1	59.3
July	72.0	69.3	73.9	83.3	64.7	73.2	60.0
August	72.3	70.1	73.9	83.0	65.2	73.6	61.6
September..	72.0	69.0	74.1	82.9	64.6	73.8	61.3
October ...	71.4	67.9	73.8	82.5	64.4	73.0	60.9
November ..	71.2	68.1	73.3	81.9	64.3	72.6	61.2
December ..	71.2	68.4	73.2	81.5	64.3	72.7	61.6

CANADIAN LIVING COST INDEX NUMBERS,
1913 - 1934.
(1926=100.0)

							Retail	Retail
					Cloth-	Sund-	Index of	Index of
Total	Cost of Living Index	Food Index	Fuel Index	Rent Index	ing	ries	Foods, Fuel, Clothing,	Fuel, Clothing, Household Requirements
1913	65.4	66.2	65.8	64.1	63.3	66.2	-	-
1920	124.2	141.1	102.6	86.5	153.2	104.0	-	-
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	98.4	98.1	97.9	98.8	97.5	99.1	97.9	97.9
1928	98.9	98.6	96.9	101.2	97.4	98.8	97.9	97.3
1929	99.9	101.0	96.4	103.3	96.9	99.0	98.9	96.9
1930	99.2	98.6	95.7	105.9	93.9	99.4	96.7	94.9
1931	89.6	77.3	94.2	103.0	82.2	97.4	82.5	87.3
1932	81.4	64.3	91.4	94.7	72.8	94.6	72.7	80.6
1933	77.7	63.7	87.7	85.1	67.9	92.7	70.4	76.7
<u>1934x</u>								
January	78.2	67.7	87.4	80.4	69.2	92.7	72.6	77.3
February ...	78.7	69.4	87.2	80.4	69.2	92.7	73.5	77.3
March	79.9	72.9	87.4	80.4	69.9	92.9	75.4	77.8
April	79.4	71.0	87.8	80.4	69.9	92.9	74.6	77.9
May	78.5	68.6	87.8	79.7	69.9	92.7	73.4	77.9
June	78.2	67.6	87.2	79.7	70.1	92.7	72.9	77.9
July	78.4	68.4	87.0	79.7	70.1	92.7	73.2	77.8
August	78.7	69.3	87.6	79.7	70.1	92.6	73.2	77.9
September ..	79.0	68.8	88.0	79.7	72.3	92.7	74.2	79.3
October	79.3	69.4	88.5	80.3	72.3	92.7	74.6	79.4
November ...	79.4	69.9	88.7	80.3	72.3	92.6	74.8	79.4
December ...	79.0	69.3	88.4	80.3	71.0	92.6	74.1	78.6

x Subject to revision.

Canadian Common Stocks										United States Common Stocks										
(a) Industrials and Utilities					(b) Mines					Canadian					United States					Canadian
Common Stocks	Indus- trials	Util- ities	Compan- ies Abroad	Mines Total	Gold	Base Metals	Preferred Stocks	Common Stocks	Indus- trials Total	Rail- roads	Util- ities	Bond Yields of Province of Ontario								
1929																				
October	186.4	255.4	149.3	172.7	90.1	59.3	-	102.9	201.7	194.4	157.0	276.6	103.3							
December	156.5	210.0	131.6	137.9	74.5	54.3	-	100.4	153.8	146.9	136.3	200.9	102.3							
1930																				
December	103.1	120.3	104.7	76.1	59.2	57.8	-	82.5	109.4	101.9	93.5	157.9	93.9							
1931																				
December	64.8	74.3	59.3	51.5	59.0	59.0	-	63.0	57.7	54.3	33.0	95.6	108.6							
1932																				
December	52.2	58.9	45.7	49.6	63.1	62.7	-	50.2	47.4	44.8	25.7	79.6	102.7							
1933																				
January	52.9	60.7	45.9	50.2	67.1	66.8	70.4	49.6	49.1	46.2	27.6	81.8	99.2							
February	49.2	58.0	40.4	48.6	75.3	74.7	79.9	49.6	44.9	42.5	26.7	73.1	98.7							
March	48.9	59.1	39.9	47.6	68.4	66.6	76.9	47.3	43.2	41.6	25.6	67.0	100.0							
April	53.8	69.7	40.4	55.5	74.5	72.9	83.7	47.2	47.5	48.8	26.3	63.5	101.3							
May	66.1	88.6	49.5	67.3	89.6	84.5	109.7	54.6	62.9	65.3	37.5	79.2	98.1							
June	77.4	107.1	56.4	77.9	104.1	97.5	128.0	58.5	74.9	77.3	44.0	96.9	97.1							
July	86.5	122.3	61.5	85.8	106.9	99.7	133.5	61.9	80.4	83.5	52.6	97.5	96.7							
August	81.8	117.2	56.8	81.0	107.4	100.5	136.5	61.7	75.1	78.8	49.4	87.1	95.0							
September	81.6	119.1	53.5	84.0	113.4	107.3	140.6	61.0	74.8	80.7	47.2	80.1	95.8							
October	73.3	103.6	48.5	78.6	112.2	108.6	131.8	59.7	75.5	75.5	40.3	75.0	94.6							
November	76.8	113.4	47.8	83.0	109.4	105.2	129.7	59.1	69.1	76.7	38.4	70.0	97.3							
December	75.3	111.4	47.8	80.2	105.1	100.4	127.1	60.2	70.4	78.8	40.3	67.3	98.5							
1934																				
January	81.6	118.6	53.5	86.4	108.9	104.7	128.3	64.1	75.6	84.0	45.5	73.2	97.2							
February	86.5	123.8	58.0	91.9	114.4	110.1	134.2	66.5	80.5	88.4	50.0	80.6	96.0							
March	88.0	128.5	58.8	89.2	128.1	124.3	147.1	67.3	77.1	84.9	48.7	75.3	90.1							
April	90.7	133.0	58.1	98.3	137.2	132.0	162.3	68.5	79.6	88.3	49.3	76.3	87.7							
May	88.6	128.0	56.7	99.3	129.8	124.2	156.5	68.7	71.8	79.6	43.3	69.8	84.8							
June	87.2	126.1	54.5	101.1	138.1	133.4	164.2	68.4	73.5	81.4	44.1	71.9	85.4							
July	81.3	116.6	50.6	93.7	137.2	133.3	158.3	68.1	71.4	79.7	41.2	69.2	83.1							
August	83.8	120.1	51.2	100.5	141.1	137.4	161.7	67.3	67.8	76.7	35.6	64.6	82.3							
September	83.8	118.8	50.1	104.8	139.2	136.7	154.9	67.4	67.0	75.7	35.1	63.7	82.0							
October	85.2	122.0	49.0	108.6	133.5	132.9	141.4	69.5	67.3	76.4	35.6	62.9	82.9							
November	86.0	125.3	46.5	111.2	125.5	125.7	129.0	70.6	69.4	80.1	35.3	60.7	81.0							
December	86.2	125.6	47.5	109.0	124.9	124.7	129.6	71.4	-	-	-	-	76.2							

EXCHANGE QUOTATIONS AT MONTREAL, 1934.

NOTE: The nominal closing quotations in Canadian Funds upon which these averages are based, have been supplied by the Bank of Montreal.

	New York Funds	London Sterling	France Franc	Belgium Belga	Italy Lire	Switzerland Franc	Holland Guilder	Norway Kroner	Sweden Kroner	Denmark Krone
	4.8666	4.8666	0.392	0.1390	0.526	0.1930	0.4020	0.2680	0.2680	0.2680
1934										
January	1.0047	5.0702	0.625	224	0.839	3091	6409	2223	2295	2272
February	1.0084	5.0777	0.652	2312	0.869	3205	6667	2625	2556	2283
March	1.0022	5.1065	0.660	2338	0.861	3239	6747	2637	2568	2300
April	0.9979	5.1476	0.661	2343	0.856	3244	6775	2587	2655	2281
May	0.9982	5.1002	0.661	2340	0.852	3250	6783	2632	2557	2241
June	0.9922	5.0122	0.656	2322	0.855	3228	6734	2521	2229	2216
July	0.9883	4.9851	0.652	2311	0.849	3222	6696	2507	2574	2172
August	0.9769	4.9509	0.651	2320	0.848	3224	6685	2493	2557	2165
September	0.9714	4.8551	0.649	2310	0.845	3213	6666	2443	2507	2165
October	0.9791	4.8431	0.649	2302	0.844	3215	6677	2436	2500	2187
November	0.9761	4.8724	0.644	2279	0.835	3173	6599	2450	2514	2216
December	0.9878	4.8865	0.652	2312	0.844	3202	6680	2456	2521	2183
1934										
January	1.309	0.475	2637	4.0535	0.868	3781	3846	3816	3046	5.0731
February	1.346	0.454	2849	4.0550	0.875	3931	3850	3882	3022	5.0742
March	1.368	0.418	2570	4.0808	0.872	3978	3853	3903	3019	5.1081
April	1.369	0.418	2531	4.1104	0.872	3954	3882	3834	3039	5.1446
May	1.370	0.418	2381	4.0720	0.853	3942	3841	3645	3030	5.0977
June	1.359	0.414	2461	4.0028	0.840	3813	3771	3648	2980	5.0100
July	1.354	0.412	2470	3.9796	0.846	3818	3754	3735	2959	4.0180
August	1.352	0.411	2688	3.9515	0.842	3862	3730	3804	2943	4.9828
September	1.347	0.411	2652	3.8767	0.824	3917	3654	3849	2904	3.9944
October	1.350	0.413	2597	3.8677	0.825	3964	3648	4005	2822	4.9480
November	1.335	0.409	2533	3.8908	0.822	3925	3669	4059	2846	3.9710
December	1.352	0.414	2483	3.9028	0.813	3970	3682	4201	2855	3.9075

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Consumer

Indices

RECENT PRICE MOVEMENTS

Commodities at Wholesale
Cost of Living
Securities
Exchange

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DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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RECENT PRICE MOVEMENTS

GENERAL

Recovery in commodity prices broadened out perceptibly during 1935, extending to the European countries still adhering to the gold standard. Only two major currency adjustments occurred during the year. On March 30, the Belgian belga was devalued by approximately 28 p.c., and subsequently the Belgian wholesale price index advanced over 23 p.c. On November 4, the Chinese government issued a decree announcing currency devaluation and abandonment of the silver standard. This occurred after a fall in wholesale prices amounting to 8 p.c. in the Shanghai index in the earlier part of the year. A decline of roughly 20 p.c. in the China (Shanghai) dollar preceded the intimation that it would be stabilized at a level approximating 30 cents in Canadian funds.

Wholesale price index numbers in most parts of the world advanced from one to five per cent. during 1935. More appreciable increases, however, were noted for Belgium (over 23 p.c.), Italy (over 20 p.c.), and Hungary (over 13 p.c.). Minor declines were noted for Argentina, Egypt, China, and South Africa.

The principal support for price advances came from non-ferrous metals and textiles. Silk and wool made substantial gains, the former rising sharply in the last quarter of the year. Silver was the exception to the rule among non-ferrous metals, declining roughly 15 cents per ounce in the final month of the year. Wheat averaged higher than in 1934, but coarse grain prices were mostly lower. Livestock and meats generally, were firm.

CANADA - WHOLESALE PRICES, 1935.

Wholesale price levels continued to make gradual gains during 1935, as indicated by the Bureau's general wholesale price index number which mounted from 71.1 in December, 1934, to 72.6 in December, 1935. The corresponding index for December 1933 was 69.0. This advance has been due largely to the irregular rise in prices for primary products which influenced the general index more than minor declines among manufactured goods. The continued improvement in primary product price levels relative to those for manufactured goods has restored to a considerable extent price group relationships existing prior to the prolonged decline beginning in 1929. That recession created much economic distress by destroying equilibrium which had not been disturbed seriously for nearly a decade. The extent of the subsequent corrective movement which dates from February 1933 may be gauged from the brief table following. Although prices are still materially below levels of the base year 1926, their group relationships one to another have been restored to a considerable extent. Farm products are still at a relative disadvantage, but the amount is smaller than it has been since the first half of 1930.

	February 1933	December 1933	December 1934	December 1935
All Commodities	100.0	100.0	100.0	100.0
Producers' Goods	91.5	93.2	96.1	95.6
Consumers' Goods	108.2	106.2	102.5	102.3
Raw and Partly Manufactured Materials	79.7	85.4	90.4	92.7
Fully and Chiefly Manufactured Materials	105.2	104.3	102.0	100.4
Building Materials	117.6	116.8	114.5	114.6
Canadian Farm Products	67.6	77.7	86.6	90.1

Although fluctuations of commodity groups during 1935 were not spectacular, individual commodity price levels underwent considerable adjustments. Some idea of these changes may be obtained from the percentages of rise or fall shown for typical descriptions of basic commodities in the table which follows. The advance of 7 p.c. for wheat compares with one of 32 p.c. in 1934, whereas oats dropped 34 p.c. after a rise

of 47 p.c. in the preceding year. Other coarse grains in 1935, likewise, lost much of earlier gains. Both cattle and hog prices moved higher, the former just about balancing a decline of nearly 20 p.c. that occurred in 1934. Beef hides also advanced sharply, their increase being approximated only by the meteoric rise of raw silk prices in the closing months of the year. Substantial gains in nearly all non-ferrous metals were more than sufficient to cancel 1934 losses. Silver, alone, among the commercially important non-ferrous metals, showed decided weakness which developed in December 1935, when powerful support was withdrawn from the London market. Ferrous metals exhibited customary stability.

PERCENTAGE CHANGE IN WHOLESALE PRICES OF IMPORTANT COMMODITIES,
BETWEEN DECEMBER, 1934, AND DECEMBER, 1935.

Beef Hides	+ 50.0	Raw Rubber	+ 5.3
Raw Silk	+ 48.6	Hogs	+ 4.6
Pig Lead	+ 44.6	Raw Cotton	- 3.4
Copper	+ 28.6	Pig Iron	unchanged
Cattle	+ 20.4	Steel Bars	unchanged
Wheat	+ 6.9	Oats	- 34.3

COST OF LIVING, 1935.

The Canadian cost of living index number continued to move gradually upward during 1935, advancing irregularly from 78.9 in December 1934 to 80.8 in December 1935. When it is recalled that the extreme low point of the recent decline was 76.6 for June of 1933, the moderate proportions of subsequent increases may be better appreciated. The rise in living costs in the past three years relative to improvement in primary product prices has been smaller than in many other countries.

As might be expected, higher prices have been most noticeable among foods. An index for this group has mounted from a low point of 60.4 in March 1933 to 73.7 for December 1935, representing an increase of over 20 p.c. During the year just ended, this index advanced from 68.8 to 73.7. Prices of fresh meats, lard, butter, and potatoes were appreciably higher, while moderate declines were noted for rice, prunes, sugar, tea, and coffee.

Fuel prices registered fractional declines which were distributed among coal, coke, and wood. Rentals were firm, moving an index for shelter costs up from 80.3 in January to 82.6 in December. This represents a very moderate rise from the low of 79.7 for the summer months of 1934. Clothing prices, after showing a weak tendency in the first half of the year, advanced in the final quarter. The index for this group fell from 71.0 in December, 1934, to 69.9 in June, and then moved up again to 71.6 for December. Spectacular increases in raw silk prices and advances for wool were indicative of continued firmness. Only slight changes were noted among house furnishings, cleaning supplies, motor operating costs and other family budget items of a miscellaneous character. An index including such residual items advanced fractionally from 92.0 in December, 1934, to 92.5 in December, 1935.

SECURITY PRICES, 1935.

After an uncertain start in the first quarter of 1935, common stock prices moved forward sharply to levels not hitherto touched during the current recovery movement. The first stage of this advance ended in the latter part of May, and was followed by over four months of rather aimless fluctuation during which time price ranges generally were narrow. Early in October a second rise commenced which carried markets precipitately upward in a sustained movement which did not lose momentum until the close of the year. The magnitude of these advances may be judged from the following price index numbers based upon 87 industrial issues: December 1934, 125.6, May 1935, 144.4, and December 178.2. Utilities failed to share in this rise, the December 1934 index being 47.5 and that for the following December 50.1. The behaviour of various groups has differed widely. Transportation and pulp and paper issues, for example, are still at low levels, the former group index being 28.6 for December, and the latter 15.9 despite some improvement during the year. Textiles at 70.4 for December averaged lower than the preceding December number of 74.3. Other groups, however, recorded substantial advances as indicated by the following December 1934-December 1935 comparisons: Foods and Allied Products 130.3 and 148.5, Beverages 93.6 and 161.0, Iron and Steel 119.8 and 125.0, Milling 71.0 and 76.7, and Miscellaneous issues including International Nickel 166.2 and 294.5. A general index for industrial and utility common stocks mounted from 86.2 in December 1934 to 107.4 in December 1935.

In the mining section, gold stocks and base metals behaved quite differently. The gold group remained comparatively inactive for the first four months of the year, and then commenced to lose ground until August. Subsequent recovery was spasmodic and level of 124.7. Base metals broke away in March from the inertia which characterized all security markets in the early months of the year. Their advance was interrupted in June and July, but gathered momentum again in the fall months. The December index was 201.7 as compared with 159.2 in May and 129.6 in December 1934. A composite price index of mining stocks showed a moderate increase for the year, being 124.9 in December 1934 and 133.6 in December 1935.

High grade long-term bond prices reached a peak for the past thirty-five years in January 1935. For the balance of the year prices held fairly firm with the exception of a temporary reaction in August and September. An index of Dominion of Canada long-term bond yields moving conversely to prices, remained between 70.9 and 73.4 from January until September, then mounted to 79.8, falling back finally to 75.5 in December.

FOREIGN EXCHANGE, 1935.

The promise of returning stability held out by exchange movements in the latter part of 1934, failed to materialize. Recurrent pressure upon the remaining 'gold bloc' currencies gave warning of their continued precarious positions. The group was reduced late in March, when Belgium devalued its currency by approximately 28 p.c. following a flight of capital and serious gold losses. Later on, the position of the Dutch guilder and the French franc became critical. These currencies were successfully defended, although in the last four months of the year, gold shipments from France approximated \$500,000,000. The £ sterling was subject to speculative selling late in February which spread from a local disturbance in commodity markets. Montreal quotations on sterling dropped approximately 9 cents to \$4.80 $\frac{3}{4}$ at this time, but gradual recovery carried the market upward again until sterling was quoted between \$4.99 and \$5.00 during August. Considerable purchases of silver in London by the United States Treasury were a factor in the strength shown by sterling during the summer. In September, gold commenced to flow from London to New York to meet seasonal commitments, but no appreciable reaction in sterling rates occurred. Rates on Canadian dollars reflected to some extent movements in sterling, but remained fairly stable for the greater part of the year. Temporary weakness in October advanced the premium on New York funds to 2 p.c. but this was gradually reduced again to about 1 p.c. Considerable interest was attracted by the abandonment of the silver standard by China during November, and devaluation of the China (Shanghai) dollar to a level approximating 30 cents in Canadian funds. Earlier in the year, this unit had been quoted around 37 cents. Another event of importance in exchange markets was the restoration of unrestricted exchange movements by Austria. There followed a considerable repatriation of funds to that country. The Italian lira which had commenced to slip from the ranks of the gold group in the latter part of 1934, continued to weaken gradually during 1935, and was quoted upon a nominal basis in the closing months of the year.

CANADIAN WHOLESALE PRICE INDEX NUMBERS, 1913-1935
(1926=100.0)

	: General	: Whole- sale Prices	: Pro- ducers' Goods	: Con- sumers' Goods	: Building and Con- struction Materials	: Raw and Partly Manufactured Materials	: Fully Chiefly Manufactured Materials	: Canadian Farm Products
1913	64.0	67.7	62.0	67.0	63.8	64.8	64.1	
1920	155.9	164.8	136.1	144.0	154.1	156.5	160.6	
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
1927	97.7	98.5	95.7	96.1	99.9	96.5	102.1	
1928	96.4	96.7	95.6	97.4	97.4	95.0	100.7	
1929	95.6	96.1	94.7	99.0	97.5	93.0	100.8	
1930	86.6	82.5	89.3	90.8	82.2	87.3	82.3	
1931	72.1	67.1	76.2	81.9	61.9	74.8	56.3	
1932	66.7	62.4	71.3	77.2	55.0	69.8	48.4	
1933	67.1	63.1	71.1	78.3	56.6	70.2	51.0	
1934x	71.6	67.8	74.1	82.5	63.5	73.4	59.0	
<u>1935 x</u>								
January	71.4	68.5	73.4	81.8	64.9	73.7	61.4	
February	71.9	69.3	74.0	81.6	65.2	74.4	62.0	
March	72.0	69.3	73.7	81.4	65.5	74.3	62.7	
April	72.5	70.6	73.5	80.9	66.6	74.3	64.7	
May	72.3	70.6	73.2	80.9	66.5	73.3	64.1	
June	71.5	69.3	72.2	81.1	65.2	72.6	61.4	
July	71.5	68.7	73.1	82.5	65.2	72.8	61.5	
August	71.6	69.2	73.0	82.4	65.2	72.4	61.8	
September ...	72.3	70.2	73.3	82.5	67.2	72.4	64.7	
October	73.1	70.6	74.2	82.2	68.0	73.4	65.8	
November	72.7	69.6	74.1	82.4	67.5	72.9	65.0	
December	72.6	69.4	74.3	83.2	67.3	72.9	65.4	

CANADIAN LIVING COST INDEX NUMBERS, 1913-1935
(1926=100.0)

	: Total Cost of Living Index	: Food Index	: Fuel Index	: Rent Index	: Cloth- ing Index	: Sund- ries Index	: Retail Index of Foods, Fuel, Clothing, Clothing, Household Household Requirements	: Retail Index of Fuels, Clothing, Clothing, Household Requirements
1913	65.4	66.2	65.8	64.1	63.3	66.2	-	-
1920	124.2	141.1	102.6	86.5	153.2	104.0	-	-
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	98.4	98.1	97.9	98.8	97.5	99.1	97.9	97.9
1928	98.9	98.6	96.9	101.2	97.4	98.8	97.9	97.3
1929	99.9	101.0	96.4	103.3	96.9	99.0	98.9	96.9
1930	99.2	98.6	95.7	105.9	93.9	99.4	96.7	94.9
1931	89.6	77.3	94.2	103.0	82.2	97.4	82.5	87.3
1932	81.4	64.3	91.4	94.7	72.8	94.6	72.7	80.6
1933	77.7	63.7	87.7	85.1	67.9	92.7	70.4	76.7
1934x	78.7	69.4	87.7	80.1	70.5	92.1	73.9	78.2
<u>1935 x</u>								
January	78.8	68.8	88.8	80.3	71.0	92.1	73.8	78.6
February	78.9	69.2	88.8	80.3	71.0	92.1	74.0	78.6
March	78.8	69.5	88.7	80.3	70.3	92.1	74.0	78.2
April	78.6	68.6	88.7	80.3	70.3	92.1	73.5	78.2
May	78.6	68.7	85.9	81.4	70.3	92.1	73.3	77.7
June	78.8	69.3	84.8	81.4	69.9	92.6	73.4	77.2
July	78.8	69.3	84.7	81.4	69.9	92.4	73.4	77.2
August	79.4	71.3	85.4	81.4	69.9	92.5	74.4	77.4
September ...	79.6	70.9	85.4	81.4	71.6	92.6	74.8	78.5
October	80.4	72.4	86.5	82.6	71.6	92.5	75.6	78.6
November	80.6	73.2	87.0	82.6	71.6	92.5	76.0	78.7
December	80.8	73.7	87.2	82.6	71.6	92.5	76.3	78.8

x Subject to revision.

Canadian Common Stocks										United States Common Stocks									
(a) Industrials and Utilities					(b) Mines					Canadian					Canadian				
Common Stocks	Indus- trial Total	Util- ities	Compan- ies Abroad	Mines Total	Gold	Mines	Gold	Base Metals	Preferred Stocks	Common Stocks	Indus- trial Total	Rail- roads	Util- ities	Common Stocks	Long Term Bonds	Long Term Yields			
December 1930	103.1	120.3	104.7	76.1	59.2	57.8	-	82.5	109.4	101.9	93.5	157.9	93.9	75.6	93.2	91.0	86.1	83.8	
January 1931	86.8	74.3	59.3	51.5	59.0	59.0	-	63.0	57.7	54.3	33.0	95.6	111.7	80.5	80.6	91.0	75.3	76.3	
February 1931	86.5	123.8	58.0	91.9	114.4	110.1	134.2	66.5	88.4	84.0	45.5	73.2	93.2	88.4	80.6	91.0	48.7	49.3	
March 1931	88.0	128.5	58.8	89.2	128.1	124.3	127.1	67.3	77.1	84.9	33.0	95.6	111.7	88.3	88.4	86.1	76.3	76.3	
April 1931	90.7	133.0	58.1	98.3	137.2	132.0	162.3	68.5	79.6	71.8	44.8	79.6	99.4	88.3	88.4	86.1	76.3	76.3	
May 1931	88.6	128.0	56.7	99.3	129.8	124.2	156.5	68.7	71.8	73.5	44.8	79.6	99.4	89.8	89.8	86.1	76.3	76.3	
June 1931	87.2	126.1	54.5	101.1	138.5	133.4	164.2	68.4	73.5	81.4	44.1	71.9	82.1	81.4	81.4	82.1	71.9	71.9	
July 1931	81.3	116.6	50.6	93.7	137.2	133.3	158.3	68.1	71.4	79.7	41.2	79.7	80.1	71.4	71.4	80.1	69.2	69.2	
August 1931	83.8	120.1	51.2	100.5	141.1	137.4	161.7	67.3	67.8	76.7	35.6	64.6	77.8	67.3	67.3	77.8	64.6	64.6	
September 1931	83.3	118.8	50.1	104.8	139.2	136.7	154.9	67.4	67.0	75.7	35.1	63.7	77.2	67.0	67.0	77.2	63.7	63.7	
October 1931	85.2	122.0	49.0	108.6	133.5	132.9	141.4	69.5	67.3	76.4	35.6	62.9	79.3	67.3	67.3	79.3	62.9	62.9	
November 1931	86.0	125.3	46.5	111.2	125.5	125.7	129.0	70.6	69.4	80.1	35.3	60.7	77.2	69.4	69.4	77.2	60.7	60.7	
December 1931	86.2	125.6	47.5	109.0	124.9	124.7	129.6	71.4	69.2	80.3	35.8	58.2	71.3	69.2	69.2	71.3	58.2	58.2	
January 1932	88.6	129.7	50.4	108.0	124.3	123.2	132.4	131.2	73.5	69.7	81.4	34.6	57.4	70.9	69.7	70.9	54.5	54.5	
February 1932	87.8	128.8	49.4	107.5	124.2	123.4	127.5	135.3	73.8	67.8	80.0	31.8	53.2	73.2	67.8	73.2	53.2	53.2	
March 1932	84.4	125.6	45.1	104.8	128.2	127.5	124.5	140.1	71.2	63.9	75.4	27.8	51.4	71.4	63.9	71.4	51.4	51.4	
April 1932	86.4	130.8	43.8	110.2	128.7	124.5	125.9	140.1	69.2	67.5	78.9	29.4	59.1	72.2	67.5	72.2	59.1	59.1	
May 1932	93.6	144.4	44.4	125.9	128.3	121.4	159.2	159.2	69.4	73.1	85.5	31.0	64.5	71.4	73.1	71.4	64.5	64.5	
June 1932	93.8	145.2	45.0	124.5	123.0	116.3	153.2	153.2	68.4	73.1	85.5	31.0	64.5	71.4	73.1	71.4	64.5	64.5	
July 1932	92.4	143.8	44.7	119.4	117.9	110.1	151.9	151.9	68.4	76.0	88.0	32.7	70.4	73.4	76.0	73.4	70.4	70.4	
August 1932	94.7	146.1	47.7	122.7	115.6	106.2	155.4	155.4	69.6	79.4	91.7	34.1	73.9	72.1	79.4	72.1	73.9	72.1	
September 1932	93.6	147.1	46.3	119.9	119.1	109.5	159.6	159.6	69.2	85.0	97.5	37.0	81.6	71.6	85.0	71.6	81.6	71.6	
October 1932	96.1	152.9	45.6	123.0	118.6	106.3	169.7	169.7	69.5	86.1	99.5	34.5	82.1	78.9	99.5	78.9	82.1	78.9	
November 1932	105.8	170.3	50.9	130.8	125.5	111.8	181.9	181.9	72.5	94.2	108.4	38.3	91.0	74.5	94.2	74.5	91.0	74.5	74.5
December 1932	107.4	178.2	50.1	124.3	133.6	116.9	201.7	201.7	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8
January 1933	88.6	129.7	50.4	108.0	124.3	123.2	132.4	131.2	73.5	69.7	81.4	34.6	57.4	70.9	69.7	70.9	54.5	54.5	54.5
February 1933	87.8	128.8	49.4	107.5	124.2	123.4	127.5	135.3	73.8	67.8	80.0	31.8	53.2	73.2	67.8	73.2	53.2	53.2	53.2
March 1933	84.4	125.6	45.1	104.8	128.2	127.5	124.5	140.1	71.2	63.9	75.4	27.8	51.4	71.4	63.9	71.4	51.4	51.4	51.4
April 1933	86.4	130.8	43.8	110.2	128.7	124.5	125.9	140.1	69.2	67.5	78.9	29.4	59.1	72.2	67.5	72.2	59.1	59.1	59.1
May 1933	93.6	144.4	44.4	125.9	128.3	121.4	159.2	159.2	68.4	73.1	85.5	31.0	64.5	71.4	73.1	71.4	64.5	64.5	64.5
June 1933	93.8	145.2	45.0	124.5	123.0	116.3	153.2	153.2	68.4	76.0	88.0	32.7	70.4	73.4	76.0	73.4	70.4	70.4	70.4
July 1933	92.4	143.8	44.7	119.4	117.9	110.1	151.9	151.9	68.4	79.4	91.7	34.1	73.9	72.1	79.4	72.1	73.9	72.1	73.9
August 1933	94.7	146.1	47.7	122.7	115.6	106.2	155.4	155.4	70.9	83.3	95.2	35.9	81.6	71.6	83.3	71.6	81.6	71.6	81.6
September 1933	93.6	147.1	46.3	119.9	119.1	109.5	159.6	159.6	69.2	85.0	97.5	37.0	81.9	79.8	85.0	79.8	81.9	79.8	81.9
October 1933	96.1	152.9	45.6	123.0	118.6	106.3	169.7	169.7	69.5	86.1	99.5	34.5	82.1	78.9	99.5	78.9	82.1	78.9	82.1
November 1933	105.8	170.3	50.9	130.8	125.5	111.8	181.9	181.9	72.5	94.2	108.4	38.3	91.0	74.5	94.2	74.5	91.0	74.5	74.5
December 1933	107.4	178.2	50.1	124.3	133.6	116.9	201.7	201.7	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8	73.8
January 1934	81.6	118.6	53.5	86.4	108.9	104.7	128.3	128.3	64.1	75.6	84.0	45.5	73.2	93.2	84.0	84.0	73.2	93.2	84.0
February 1934	86.5	123.8	58.0	91.9	114.4	110.1	134.2	134.2	66.5	80.5	88.4	50.0	80.6	91.0	80.5	80.6	80.6	91.0	80.6
March 1934	88.0	128.5	58.8	89.2	128.1	124.3	127.5	127.5	67.3	77.1	84.9	48.7	75.3	86.1	84.9	84.9	75.3	86.1	84.9
April 1934	90.7	133.0	58.1	98.3	137.2	132.0	162.3	162.3	68.5	79.6	88.3	49.3	76.3	86.1	88.3	88.3	76.3	86.1	88.3
May 1934	88.6	128.0	56.7	99.3	129.8	124.2	156.5	156.5	68.7	71.8	79.6	43.3	73.3	81.8	89.8	89.8	73.3	81.8	89.8
June 1934	87.2	126.1	54.5	101.1	138.5	133.4	164.2	164.2	68.4	73.5	81.8	44.1	71.9	82.1	81.8	81.8	71.9	82.1	81.8
July 1934	81.3	116.6	50.6	93.7	137.2	133.3	158.3	158.3	68.1	71.4	79.7	41.2	79.7	80.1	79.7	79.7	79.7	79.7	80.1
August 1934	83.8	120.1	51.2	100.5	141.1	137.4	161.7	161.7	67.3	67.8	76.7	35.6	64.6	77.8	67.3	67.3	64.6	64.6	77.8
September 1934	83.3	118.8	50.1	104.8	139.2	136.7	154.9	154.9	67.4	67.0	75.7	35.1	63.7	77.2	67.0	67.0	63.7	63.7	77.2
October 1934	85.2	122.0	49.0	108.6	133.5	132.9	141.4	141.4	69.5	67.3	76.4	35.6	62.9	79.3	67.3	67.3	62.9	62.9	79.3
November 1934	86.0	125.3	46.5	111.2	125.5	125.7	129.0	129.0	70.6	69.4	80.1	35.3	60.7	77.2	69.4	69.4	60.7	60.7	77.2
December 1934	86.2	125.6	47.5	109.0	124.9	124.7	124.7	124.7	71.4	69.2	80.3	35.8	58.2	71.3	69.2	69.2	58.2	58.2	71.3
January 1935	88.6	129.7	50.4	108.0	124.3	123.2	132.4	131.2	73.5	69.7	81.4	34.6	57.4	70.9	69.7	69.7	54.5	54.5	70.9
February 1935	87.8	128.8	49.4	107.5	124.2	123.4	127.5	135.3	73.8	67.8	80.0	31.8	53.2	73.2	67.8	67.8	53.2	53.2	73.2
March 1935	84.4	125.6	45.1	104.8	128.2	127.5	124.5	140.1	71.2	63.9	75.4	27.8	51.4	71.4	63.9	63.9	51.4	51.4	71.4
April 1935	86.4	130.8	43.8	110.2	128.7	124.5	124.5	140.1	69.2	67.5	78.9	29.4	59.1	72.2	67.5	67.5	59.1	59.1	72.2
May 1935	93.6	144.4	44.4	125.9	128.3														

EXCHANGE QUOTATIONS AT MONTREAL, 1935

NOTE: The nominal closing quotations in Canadian Funds upon which these averages are based, have been supplied by the Bank of Montreal.

	New York Funds	London Sterling	France Franc	Belgium Belga	Italy Lira	Switzerland Franc	Holland Guilder	Norway Kroner	Sweden Kroner	Denmark Krone
1935										
January	9986	4.8870	.0658	.2331	.0852	.3229	.6738	.2458	.2185	
February	1.0013	4.8853	.0661	.2340	.0850	.3243	.6769	.2457	.2183	
March	1.0057	4.8247	.0559	.2305	.0844	.3283	.6860	.2429	.2158	
April	1.0049	4.8622	.0653	.1708	.0834	.3255	.6783	.2444	.2099	
May	1.0015	4.8958	.0650	.1700	.0825	.3239	.6775	.2464	.2173	
June	1.0014	4.9226	.0652	.1698	.0827	.3273	.6797	.2485	.2189	
July	1.0022	4.9674	.0654	.1697	.0826	.3283	.6815	.2498	.2210	
August	1.0027	4.9850	.0654	.1695	.0821	.3282	.6800	.2506	.2220	
September	1.0080	4.9701	.0635	.1702	.0822	.3279	.6813	.2500	.2227	
October	1.0141	4.9778	.0658	.1709	.0824	.3300	.6869	.2501	.2221	
November	1.0105	4.9776	.0665	.1708	.0819	.3278	.6851	.2556	.2222	
December	1.0093	4.9755	.0666	.1702	.0815	.3273	.6841	.2565	.2221	
January	1365	4.0418	.2572	.9035	.0823	.4003	.3692	.4339	.8746	.9350
February	1371	4.0420	.2522	.9013	.0828	.4019	.3700	.4476	.8696	.9325
March	1388	4.0225	.2505	.8927	.0637	.4073	.3651	.4385	.8838	
April	1376	4.0227	.2577	.8852	.0383	.4047	.3675	.5353	.8453	.9133
May	1370	4.0419	.2587	.9100	.0825	.4030	.3707	.4030	.8824	.9416
June	1374	4.0420	.2545	.9122	.0825	.4046	.3738	.5864	.9325	.9321
July	1378	4.0419	.2665	.9635	.0826	.4045	.3752	.5291	.9556	.0004
August	1379	4.0417	.2696	.9708	.0826	.4046	.3769	.5065	.9746	.9703
September	1379	4.0418	.2733	.9751	.0831	.4057	.3768	.5079	.9522	.0076
October	1385	4.0420	.2759	.9823	.0850	.4079	.3754	.4978	.9716	.0140
November	1379	4.0418	.2739	.9823	.0846	.4065	.3752	.3703	.9716	.0144
December	1380	4.0419	.2749	.9804	.0847	.4059	.3755	.3288	.9693	.0125

x Bank of Canada. + Prior to April belga = 1390

62-D-22

CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
INTERNAL TRADE BRANCH

PRICE MOVEMENTS IN 1936

Retail Prices
Security Prices
Exchange
Wholesale Prices

-----+ + +-----

Published by Authority of the Hon. W.D. Euler, M.P.,
Minister of Trade and Commerce.

+ + +

OTTAWA

1937

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Minister of Trade and Commerce

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, 1936

INTERNATIONAL TENDENCIES

After remaining comparatively inactive during the first six months of 1936, international commodity markets moved upward in the second half of the year displaying a degree of strength much greater than in any preceding period of the recovery movement. This was particularly marked in countries of the former European gold 'bloc' that had abandoned gold parities late in September, but substantial increases were also recorded for the wholesale price levels of most other countries. Czechoslovakia was the one noteworthy exception to this statement. Improvement in the supply situation of many basic commodities along with more confident buying for industrial purposes furnished the main support to rising markets. There also were indications of increasing speculative activity in commodity exchanges as well as in stock exchanges, both of which recorded wide advances in most countries. Repercussions of commodity price rises may be observed from the following table showing international wholesale price movements between December 1935 and the latest month of 1936 for which data were available:

PERCENTAGE CHANGE IN WHOLESALE PRICE LEVELS, 1936.

France	+	26	Sweden	+	5
Switzerland	+	14	Norway	+	5
Netherlands	+	11	Belgium	+	4
Australia	+	9	United States	+	2
United Kingdom	+	8	Germany	+	1
Canada	+	6	New Zealand	+	1
China (Shanghai) ..	+	6	South Africa	+	1
Japan	+	6	Czechoslovakia	-	15
Poland	+	5			

CANADA

WHOLESALE PRICES, 1936

The general level of wholesale prices in Canada advanced 9.6 p.c. during 1936. This was represented by a rise in the Dominion Bureau of Statistics wholesale price index number from 72.7 to 79.7, which compares with 63.5, the extreme low of the preceding decline reached in February 1933. The December 1936 wholesale price index was thus 25.5 p.c. above the depression nadir, and it is noteworthy that more than a third of subsequent recovery has come in the year just ended. Of even greater interest is the fact that the 1936 increase came almost entirely during the past six months after a period of two and one half years of exceptional stability. The 1936 advance has been very unevenly distributed as may be observed from the following percentages of increase for different commodity groups: Vegetable Products 28.0, Animal Products 1.8, Textiles 2.0, Wood Products 5.8, Iron and Its Products 4.9, Non-Ferrous Metals 17.8, Non-Metallic Minerals 0.5, Chemical Products 1.9, and Canadian Farm Products 29.6.

These widely differing rates of increase, however, have served to compensate for earlier uneven rates of decline, so that price relationships of significant commodity groups have been practically restored to pre-depression relative positions, although still averaging about 20 p.c. lower than 1928-29 levels. That is, commodity group price indexes now vary by only small amounts from the December 1936 general wholesale index of 79.7, whereas in February 1933 the differences were as much as 50 p.c. The net effect of recent changes has been to improve materially the purchasing power of the large numbers of primary producers who form a preponderant part of Canada's population. The gradual restoration of price relationships to pre-depression positions may be observed from the following table which shows various commodity group indexes expressed as a percentage of the general wholesale price level in specified periods.

	February 1933	December 1933	December 1934	December 1935	December 1936
General Wholesale Price Level	100.0	100.0	100.0	100.0	100.0
Producers' Goods	91.5	93.2	96.1	95.6	100.9
Consumers' Goods	108.2	106.2	102.5	102.3	96.5
Raw and Partly Manufactured Materials	79.7	85.4	90.4	92.7	99.5
Fully and Chiefly Manufactured Materials	105.2	104.3	102.0	100.4	97.0
Building Materials	117.6	116.8	114.5	114.6	110.4
Canadian Farm Products	67.6	77.7	86.6	90.1	103.4

As might be expected from the irregular rise in the price levels for commodity groups, there were wide divergences in the behaviour of individual commodity prices. The sharpest advances occurred among primary products which showed small gains or losses during 1935. Thus the 1935 decline of 34 p.c. in oat prices was followed by a 1936 increase of 83 p.c. Other impressive gains were recorded for raw rubber, wheat, wool, pig lead, and copper. Hides, tin, cotton, pig iron, and steel showed moderate improvement, while cattle, hogs, raw silk and raw sugar declined, in most cases by small amounts. Although speculative activity caused some anxiety in the closing months of the year, price increases generally were justified by improving demand and definite decreases in world supplies. This was particularly true of wheat, rubber, and the non-ferrous metals. The extent of 1936 price changes may be observed from the table following which shows percentage changes in Canadian wholesale prices between December 1935 and 1936 for more important basic commodities.

PERCENTAGE CHANGE IN WHOLESALE PRICES OF IMPORTANT COMMODITIES BETWEEN DECEMBER 1935 AND DECEMBER 1936.

Rye	+	137	Hides and Skins	+	22
Barley	+	131	Lumber	+	10
Oats	+	83	Steel bars	+	7
Rubber	+	59	Raw cotton	+	6
Wheat	+	46	Pig Iron	+	5
Pig lead	+	34	Beef hides	+	4
Flour	+	32	Hogs	-	1
Wool	+	32	Raw Silk	-	3
Copper	+	23	Cattle	-	10

COST OF LIVING, 1936

An upward tendency in foods, clothing, and rentals caused the Dominion Bureau of Statistics cost of living index for Canada to advance from 80.5 to 81.8 during 1936, a gain of 1.6 p.c. This represents a rise of less than 7 p.c. since the low point of the preceding recession which ended in June 1933, and compares with an increase in wholesale prices of over 25 p.c. for approximately the same period. Retail prices, of course, have not had time to become fully adjusted to the recent sharp advance in wholesale prices.

The food price index mounted 2.2 p.c. during 1936, supported by higher quotations for eggs, milk, cheese, bread, flour, rolled oats, tea and potatoes. The only large increase was for potatoes which had been unusually low in the preceding year. Price declines were registered by nearly all meats, as well as for lard, butter, sugar, and coffee. The food index in December 1936 was 75.3 p.c. of the average level in 1926. There was, however, a considerable range in the position of individual foods relative to 1926 average prices as may be observed from the following summary:

DECEMBER 1936 RETAIL FOOD PRICES AS A PERCENTAGE OF 1926 AVERAGES

Less than 70 p.c. of 1926 averages	-	Veal, mutton, pork, bacon, lard, butter, coffee, potatoes.
From 70 p.c. to 79.9 p.c.	-	Beef, cheese, flour, rice, prunes, sugar, tea.
From 80 p.c. to 89.9 p.c.	-	Bread, beans, vinegar.
90 p.c. and over	-	Milk, eggs, rolled oats.

Compared with the 2.2 p.c. rise in food prices in 1936, there were increases of 2.8 p.c. in both clothing and rents, of 0.1 p.c. in the miscellaneous section, and a decline of 0.5 p.c. for fuels. Both coal and coke price averages ended the year fractionally lower than for December 1935, while changes in other fuels were of inconsiderable proportions. The advance in rents and clothing was somewhat greater than in 1935. Raw textile materials, particularly wool, were firm in price as the year ended. Decreases in theatre admissions, tobacco and periodical journal prices were slightly overbalanced by increases for household effects, furniture, health costs, and motor operating costs in the miscellaneous group.

SECURITY PRICES, 1936.

Security prices in nearly all fields registered sharp gains during 1936 despite corrective reactions in the spring months and again in November. The magnitude of net changes for the year in different sections of the market may be appreciated by references to the following group percentages of increases: Base metals 58 p.c., preferred stocks 26 p.c., utility common stocks 25 p.c., industrial common stocks 19 p.c., gold issues 12 p.c., and Dominion of Canada long-term bonds 5 p.c. The marked improvement in preferred stocks and utilities in contrast with their lethargic behaviour during the past few years was one of the outstanding developments of 1936.

The Bureau's index of industrial common stocks advanced sharply from 178.2 to 200.0 in January and February, with the latter month witnessing the heaviest trading in recent years. A minor reaction in March was followed by a second one of more importance

in April which marked the first serious setback industrials had received since July 1934. The end of this movement came in May when the industrial group index averaged 187.9. During June and July recovery was hesitant, but in the next three months prices mounted rapidly, this advance being comparable to the sharp rise in the final quarter of 1935. Unlike that movement, however, its 1936 counterpart received a serious setback in the second and third weeks of November. The market immediately resumed its advance in December, showing much greater recuperative power than after the spring decline. The December average index of 212.8 compared with the high point for the year of 226.1, recorded for the second week of November.

Utility common stock prices followed the same general movements described above for industrials, except that the November reaction was slight and the December recovery relatively stronger. The utility index mounted from 50.1 for December 1935 to 57.0 for February and then dropped back to 52.5 in May. Subsequent reactions were so small that each succeeding monthly index showed an increase, the final December number being 62.8. Were it not for the Transportation sub-group, the December Utility index would have been more than 20 points above its current level. This may be observed from the following Utility sub-group indexes for December: Transportation 34.6, Telephone and Telegraph 120.4, and Power and Traction 82.1.

Gold stock price movements appeared to anticipate those in other groups by several months. Thus the initial decline commenced late in January, while recovery was occurring during the April reaction in other sections. From mid-May until late in October golds declined gradually, then turned upward and continued to gain throughout the precipitous drop in industrials during November. The peaks and troughs of the year were marked as follows, January 124.8, February 130.2, March 122.7, October 126.4, and December 131.3.

Base metals gained more consistently than any other group, rising from 214.8 in January to 241.1 for April. Then after a minor decline to 239.2, they advanced without interruption to 317.8 for December. Spectacular increases in base metal commodity prices, particularly in the final quarter, furnished considerable support for improvement in base metal stock prices. Gains of the latter, however, were approximately three times as great as those for commodity prices.

Dominion of Canada long-term maturities moved to all time high levels in the first three-quarters of 1936, on markets which were exceptionally steady. The gradual progress of the Bureau's Dominion long-term price index from 113.2 to 119.4 during this period was unbroken, save for a few short fractional reactions. The most serious of these came in April when the Province of Alberta defaulted on the principal of a small maturing issue and reduced interest payments on it from 6 p.c. to 3 p.c. Within the month, however, prices had fully recovered small losses occurring at that time. The strength of the market was tested at irregular intervals by Dominion financing which was mostly concerned with refunding. A good reception to the \$48,000,000 refunding issue floated in New York in January stimulated the home market. Oversubscription of a \$20,000,000 general purpose domestic loan and a successful refunding operation in excess of \$115,000,000 in June furnished further evidence of basic strength. The same favourable reception greeted the \$100,000,000 issue on September 10, of which \$73,000,000 was for refunding.

The break-up of the European gold 'bloc' in the final week of September and the subsequent currency devaluations by France, the Netherlands, Switzerland, Italy, and Czechoslovakia were followed by moderate price declines which carried the Dominion index down from 119.4 at the middle of September to 116.6 for the final week of October. Gradual recovery in the last two months brought it back to 118.4 at the close of the year.

FOREIGN EXCHANGE, 1936

Other exchange developments were overshadowed during 1936 by the struggle to preserve the gold parities of European gold 'bloc' currencies, the French franc, the Swiss franc, and the Dutch guilder. On September 25, the French Minister of Finance announced that the franc would be devalued, and the same action was taken in the next few days by the Netherlands, Switzerland, Italy, Czechoslovakia, and Roumania. The co-operation of central bank and Treasury authorities, particularly those of the United Kingdom, the United States, and France resulted in comparative stability being restored by the middle of October. A marked improvement in the Brazilian milreis and the Argentine peso also attracted considerable interest during 1936, as did the weak position of the Japanese yen as the year closed. Throughout 1936, New York funds at Montreal remained close to par, sometimes slightly above and sometimes a little below. Following devaluation of the franc, sterling rates at Montreal dropped about 14 cents to close the year at approximately \$4.90. The following summary of happenings related to foreign exchange will supplement the above brief comments.

FOREIGN EXCHANGE SUMMARY, 1936

- January** 19 - The French franc declined temporarily on news of Premier Laval's impending resignation, but was steady at 6.63 cents as the resignation went into effect on January 23.
- 23 - The United States dollar dropped $\frac{1}{2}$ of one per cent. when it became apparent that the Presidential veto of the veterans' bonus bill would be overridden. This loss had been fully recovered by the middle of February, when New York funds were at par in Montreal. Gold flowed from New York to Europe during this period.
- February** 1 - Sterling touched \$5.00 at Montreal, up 5 cents in ten days.
- 5 - Arrangements for \$340,000,000 British loan to France were reported complete. The transfer was effected later without undue disturbance of the London-Paris rate by "earmarking" gold holdings of the Bank of France and by the Bank of France discounting sterling bills.
- 26 - Japanese yen drops from 29.09 cents to 28.86 (February 27) following political crisis and assassination of two statesmen. Loss recovered by end of first week in March.
Shanghai dollar moved independently of United States dollar. A Shanghai cable intimated the China dollar was being managed with respect to sterling and the United States dollar.
- March** 6 - German occupation of Rhineland precipitated brief slump in European currencies.
- 29 - Persistent pressure on French franc followed by an increase in the official discount rate from $3\frac{1}{2}$ p.c. to 5 p.c. Gold flowed from Paris to New York.
- April** 2 - Reports stated the Russian ruble had been stabilized at the equivalent of three French francs (the franc was then 6.64 cents).
- 22 - European currencies declined as negotiations for a French loan in Amsterdam broke down. The franc was under heavy pressure with gold still flowing from Paris to New York.
- 27 - Poland abandoned the gold standard but intimated the zloty would be maintained close to the gold parity (zloty 18.81 cents).
- May** 10 - A statement by Premier Blum indicating support of franc would continue, served to ease pressure and gold exports lessened.
- 18 - A pact was announced between the United States and China, under which the former would purchase silver from China, thereby making available dollar exchange to support Chinese currency.
- 29 - Sterling again reached \$5.00 at Montreal, up 5 cents during the month. The premium on New York funds also increased fractionally during this period.
- June** - Pressure on the French franc again increased and gold was shipped in large quantities to New York. The Dutch guilder remained strong and the Netherlands Bank reduced its discount rate from 4 p.c. to $3\frac{1}{2}$ p.c. on June 29. Sterling at Montreal moved up from \$5.00 to $$5.04\frac{1}{2}$ and then reacted to $$5.03\frac{1}{4}$. French government measures resulted in some capital repatriation in latter part of June.
- July** 21 - Spanish outbreak depressed European currencies which had been firm in the preceding three weeks. The peseta was supported for a short time at approximately 13.70 cents.
- August** 6 - Spanish peseta exchange rates became nominal at 13.60 cents. Gold again flowed from Paris to New York in small quantities. Free rate on Argentine pesos advanced more than $\frac{1}{2}$ cent to 28.15 cents during August, reflecting improvement in the foreign trade and financial position of the country.

- August 9 - Sterling touched \$5.03, up $1\frac{1}{2}$ cents in 6 days, reflecting flight of continental funds.
- September 10 - Large gold flow from Paris to New York resumed.
- 24 - Bank of France discount rate increased from 3 p.c. to 5 p.c.
- 25 - French Minister of Finance announced devaluation measures to be presented to Chamber of Deputies and exchanges closed.
- 28 - Switzerland decided to devalue between 26 p.c. and 34.5 p.c. In the final week of September the currencies of Greece, Latvia, and Turkey were pegged to sterling. They had previously been kept in line with units of the gold 'bloc'. About the same time the Brazilian milreis was linked to the U.S. dollar.
- October 1 - French devaluation measure passed, setting new value of franc equivalent to between 43 and 49 milligrams of gold. Old parity equal to 58.95 mgms.
- 5 - Italian lira devalued 40.93 p.c. = 90 to the sterling, and 19 to the U.S. dollar.
- 6 - Netherlands guilder steadied just above 53 cents, about $1\frac{1}{2}$ cents below former level. Dutch authorities decide to allow guilder to find new natural level.
- 8 - Czechoslovakian crown devalued further, between 15.34 p.c. and 22.97 p.c. following 16 2/3 p.c. reduction in February 1934.
- 13 - Agreement announced between the United Kingdom, the United States, and France for the free transfer of gold between exchange stabilization authorities of these countries. Gold to be deliverable on 24 hours notice.
- 15 - Bank of France official discount rate returned to 2 p.c. after successive reductions.
- November 17 - Influx of foreign capital into New York security markets subsided following official warning that action may be taken to curb it. Inflow continued subsequently in reduced volume.
- 23 - Belgium, Netherlands, and Switzerland join gold transfer pact. About the middle of November the National Bank of Roumania was authorized to revalue the leu at 253.2534 lei per kilo of gold, equivalent to approximately a 40 p.c. reduction from the 1929 gold parity.
- December 17 - Forward francs strong following resumption of trading in France.
- 29 - Sharp break occurred in registered German marks although the official mark rate was maintained at approximately 40.2 cents. Japanese yen also weak, reflecting adverse trade and financial conditions.
- Toward the beginning of December, Italy removed exchange restrictions imposed at the beginning of the Italo-Ethiopian War. During December the Argentine peso free rate advanced nearly 3 cents to 30.45 cents. Official rate 32.74 cents.

CANADIAN WHOLESALE PRICE INDEX NUMBERS, 1913-1936.
(1926=100.0)

	General Whole- sale Prices	Pro- ducers' Goods	Con- sumers' Goods	Building and Con- struction Materials	Raw and Partly Manu- factured Mater- ials	Fully and Chiefly Manu- factured Materials	Canadian Farm Products
1913	64.0	67.7	62.0	67.0	63.8	64.8	64.1
1920	155.9	164.8	136.1	144.0	154.1	156.5	160.6
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	97.7	98.5	95.7	96.1	99.9	96.5	102.1
1928	96.4	96.7	95.6	97.4	97.4	95.0	100.7
1929	95.6	96.1	94.7	99.0	97.5	93.0	100.8
1930	86.6	82.5	89.3	90.8	82.2	87.3	82.3
1931	72.1	67.1	76.2	81.9	61.9	74.8	56.3
1932	66.7	62.4	71.3	77.2	55.0	69.8	48.4
1933	67.1	63.1	71.1	78.3	56.6	70.2	51.0
1934	71.6	67.8	74.1	82.5	63.5	73.4	59.0
1935	72.1	69.5	73.6	81.2	66.0	72.8	63.5
<u>1936 x</u>							
January	72.9	69.8	74.2	83.6	67.9	72.8	65.9
February	72.5	69.3	73.9	84.2	67.5	72.2	66.0
March	72.4	69.3	73.8	84.2	67.3	72.1	65.5
April	72.2	69.1	73.3	84.6	66.8	72.2	65.0
May	71.8	68.1	73.2	84.9	66.2	71.7	64.8
June	72.3	68.5	73.7	84.8	66.6	71.9	64.5
July	74.4	72.1	74.3	85.4	69.7	73.3	66.3
August	76.2	74.7	75.5	85.7	73.0	74.8	73.3
September ...	76.4	75.0	75.5	86.0	73.9	75.1	74.4
October	77.1	76.3	75.8	86.6	75.2	75.4	76.3
November	77.2	76.3	76.0	86.8	75.8	75.5	77.1
December	79.7	80.4	76.9	88.0	79.3	77.3	82.4

CANADIAN LIVING COST INDEX NUMBERS, 1913-1936
(1926=100.0)

	Total Cost of Living Index	Food Index	Fuel Index	Rent Index	Cloth- ing Index	Sun- dries Index	Retail Index of Foods, Fuel, Clothing, House- hold Requirements	Retail Index of Foods, Fuel, Clothing, House- hold Requirements
1913	65.4	66.2	65.8	64.1	63.3	66.2	-	-
1920	124.2	141.1	102.6	86.5	153.2	104.0	-	-
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	98.4	98.1	97.9	98.8	97.5	99.1	97.9	97.9
1928	98.9	98.6	96.9	101.2	97.4	98.8	97.9	97.3
1929	99.9	101.0	96.4	103.3	96.9	99.0	98.9	96.9
1930	99.2	98.6	95.7	105.9	93.9	99.4	96.7	94.9
1931	89.6	77.3	94.2	103.0	82.2	97.4	82.5	87.3
1932	81.4	64.3	91.4	94.7	72.8	94.6	72.7	80.6
1933	77.7	63.7	87.7	85.1	67.9	92.7	70.4	76.7
1934	78.7	69.4	87.7	80.1	70.5	92.1	73.9	78.2
1935	79.3	70.4	86.8	81.3	70.7	92.2	74.3	77.9
<u>1936 x</u>								
January	80.5	73.9	87.2	82.6	70.6	91.9	76.0	78.0
February	80.3	72.9	87.2	82.6	70.6	92.0	75.6	78.1
March	80.4	73.4	87.4	82.6	70.6	92.1	75.9	78.2
April	79.7	71.0	87.3	82.6	70.6	92.1	74.7	78.2
May	80.0	71.3	87.2	83.8	70.6	92.1	74.9	78.2
June	80.1	71.3	85.8	83.8	71.0	92.2	74.9	78.2
July	80.4	72.6	85.8	83.8	71.0	92.1	75.4	78.1
August	81.0	74.7	85.8	83.8	71.0	92.1	76.5	78.1
September ...	81.5	75.1	86.1	83.8	72.6	92.2	77.2	79.1
October	81.5	74.4	86.3	84.9	72.6	92.1	76.9	79.2
November	81.7	75.0	86.7	84.9	72.6	92.2	77.2	79.2
December	81.8	75.3	86.7	84.9	72.6	92.2	77.3	79.2

x Subject to revision.

(a) Industrials and Utilities

Canadian Common Stocks

	Canadian Common Stocks				United States Common Stocks							
	Common Stocks	Indus- trial Stocks	Util- ity Stocks	Mines Abroad	Companies Mines Total	Gold Metals	Base Metals	Preferred Stocks	Common Stocks Total	Rail- roads	Util- ities	Dominion of Canada long Term Bond Yields
1930												
December	103.1	120.3	104.7	76.1	59.2	57.8	-	82.5	109.4	101.9	93.5	157.9
1931												
December	64.8	74.3	59.3	51.5	59.0	-	-	63.0	57.7	54.3	33.0	95.6
1932												
December	52.2	58.9	45.7	49.6	63.1	62.7	-	50.2	47.4	44.8	25.7	79.6
1933												
December	75.3	111.4	47.8	80.2	105.1	100.4	127.1	60.2	70.4	78.8	40.3	67.3
1934												
December	86.2	125.6	47.5	109.0	124.9	124.7	129.6	71.4	69.6	80.6	35.9	53.8
1935												
January	88.6	129.7	50.4	103.0	124.3	126.2	132.4	73.5	70.1	81.9	35.0	57.6
February	87.8	128.8	49.4	107.5	124.2	123.4	131.2	73.8	68.0	80.1	32.3	55.1
March	94.4	125.6	45.1	104.8	128.2	127.5	135.5	71.2	64.6	73.2	28.4	53.4
April	86.1	110.3	43.6	110.2	128.7	124.5	140.1	67.5	69.2	78.9	29.4	59.1
May	93.6	144.4	44.4	125.9	128.3	122.4	159.2	73.1	84.4	85.7	30.7	63.7
June	95.8	145.2	45.0	121.5	126.0	121.5	155.2	75.1	75.1	87.4	32.4	71.4
July	92.4	125.9	44.7	119.4	117.9	110.1	151.0	69.6	78.8	91.2	33.8	75.4
August	94.7	146.1	47.7	122.7	115.6	106.2	155.4	70.9	83.0	95.0	35.8	73.5
September	95.6	147.1	46.6	119.9	119.1	109.5	159.6	70.9	83.0	95.0	35.8	71.6
October	96.1	152.6	45.6	123.0	118.6	106.3	169.7	69.5	85.0	97.5	37.0	81.9
November	105.9	170.5	50.7	130.8	125.5	111.8	161.0	72.5	85.2	98.5	34.3	81.0
December	107.4	178.2	50.1	124.5	135.6	124.6	166.9	73.8	95.3	107.4	37.6	90.1
1936												
January	112.9	187.7	52.4	-	142.4	124.8	214.8	74.9	100.0	114.5	45.8	97.0
February	120.7	200.0	57.0	-	149.8	130.2	230.4	77.2	106.1	120.9	49.1	102.8
March	117.4	194.8	55.5	-	144.2	122.7	232.2	76.3	108.7	124.6	49.2	102.8
April	115.9	194.2	53.2	-	145.8	122.8	241.1	76.0	108.9	125.3	48.9	101.5
May	112.8	187.9	52.5	-	150.3	123.9	239.2	74.6	101.0	116.2	45.0	94.7
June	113.8	189.3	53.3	-	156.1	134.4	246.0	76.2	105.6	120.6	47.7	102.0
July	114.5	190.1	53.8	-	157.6	134.4	254.1	79.5	109.2	124.3	50.7	105.8
August	114.7	191.4	55.1	-	158.1	132.6	264.0	80.6	113.0	128.4	53.9	108.8
September	119.5	200.6	54.8	-	157.6	131.2	267.1	83.8	114.1	130.2	53.4	103.2
October	126.9	212.3	59.8	-	158.2	126.4	289.4	86.8	118.7	136.0	58.4	107.7
November	131.8	219.9	62.4	-	167.0	131.8	312.5	91.1	124.2	144.3	57.9	109.1
December	129.2	212.8	62.8	-	167.7	131.3	317.8	-	108.9	124.1	65.1	108.1

EXCHANGE QUOTATIONS AT MONTREAL, 1936

NOTE: The noon rates in Canadian Funds upon which these averages are based, have been supplied by the Bank of Canada.

	New York Funds	London Sterling	France Franc	Belgium Belga	Italy Lira	Switzerland Franc	Holland Guilder	Norway Kroner	Sweden Kroner
Former Gold Parities	4.8666	.0392	.1001	.0526	.0526	.1930	.4020	.2680	.2680
1936	1.0005	4.9657	.0663	1.694	.0803	.3267	.6821	.2494	.2559
January	.9986	4.9940	.0667	.1702	.0803	.3299	.6853	.2509	.2574
February	1.0013	4.9783	.0664	.1700	.0800	.3287	.6844	.2501	.2567
March	1.0047	4.9673	.0662	.1700	.0794	.3273	.6821	.2495	.2561
April	1.0018	4.9798	.0660	.1697	.0787	.3243	.6780	.2502	.2567
May	1.0026	5.0328	.0661	.1695	.0789	.3250	.6790	.2529	.2595
June	1.0008	5.0269	.0663	.1691	.0789	.3275	.6815	.2526	.2591
July	1.0001	5.0265	.0659	.1686	.0787	.3260	.6791	.2525	.2592
August	.9997	5.0300	.0647	.1689	.0786	.3174	.6671	.2532	.2598
September	.9997	4.8972	.0467	.1685	.0545	.2299	.5362	.2460	.2525
October	.9986	4.8817	.0454	.1688	.0525	.2295	.5392	.2452	.2516
November	.9993	4.9050	.0456	.1683	.0526	.2297	.5451	.2463	.2528
December	.9993	4.9050	.0456	.1683	.0526	.2297	.5451	.2463	.2528
1937									
January	1.373	.0417	.2717	3.8726	.0553	4.41	.2972	.2972	.4.9595
February	1.362	.0419	.2754	3.9652	.0568	4.063	.2992	.2992	.4.9880
March	1.377	.0418	.2753	3.9827	.0567	4.050	.3756	.2989	.4.9721
April	1.373	.0416	.2758	3.9735	.0569	4.043	.3749	.2988	.4.9590
May	1.367	.0415	.2753	3.9838	.0561	4.036	.3757	.2979	.4.9736
June	1.369	.0415	.2770	4.0262	.0568	4.038	.3797	.3001	.5.0265
July	1.373	.0416	.2729	4.0215	.0573	4.036	.3792	.3000	.5.0206
August	1.365	.0415	.2778	4.0210	.0584	4.025	.3794	.3007	.5.0202
September	1.365	.0415	.2833	4.0312	.0589	4.010	.3810	.2999	.5.0327
October	1.365	.0365	.2772	3.9178	.0585	4.019	.3698	.2938	.4.8911
November	1.354	.0354	.2765	3.9054	.0585	4.017	.3030	.2949	.4.8760
December	1.352	3.875	3.8920	3.8019	.0594	3703	2954	.2849	4.8964

(1) French franc devalued September 26 - New Gold content temporarily established between 43 to 49 milligrammes.
 (2) Italian lira devalued by 40.93 p.c. October 5. (3) Swiss franc devalued September 26 - No value fixed but held temporarily at a rate within 10 p.c. of its former nominal dollar parity. (4) Holland abandoned gold standard September 26 - No definite stabilization level for the Dutch guilder yet established. (5) Czechoslovakian crown devalued October 8 by 13.3 p.c. over and above the 16 2/3 p.c. devaluation of February 1934.

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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
INTERNAL TRADE BRANCH

Consumer Index
PRICE MOVEMENTS IN 1937

Wholesale Prices
Retail Prices
Security Prices
Exchange

Published by Authority of the HON. W.D. EULER, M.P.
Minister of Trade and Commerce.

OTTAWA

1938

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Issued February 15, 1938.

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, 1937.

INTERNATIONAL TENDENCIES

The price outlook changed rapidly during 1937 with early fears of excessive inflation in the spring months giving way to uneasiness regarding sharp declines in basic commodity markets during the fourth quarter. The most vigorous phase of the price recovery extending over the past five years occurred in the latter half of 1936 and the first quarter of 1937. International commodity markets reacted abruptly in April, and then displayed somewhat hesitant behaviour in the summer months, before recording further severe losses in the final quarter of 1937. General wholesale price levels, less sensitive than highly organized markets, were slower in reacting to recessionary influences and in most countries showed net increases for the year. These were quite pronounced in certain widely separated countries, including France, Norway, and Japan. In most cases, net advances were less than 5 per cent., having been whittled down by last quarter declines. Wholesale price levels in nearly all countries remained materially higher than at the end of 1935 by percentages ranging all the way up to 70. Living costs lagged in characteristic fashion, and did not show the full impact of higher wholesale levels until the second half of 1937. Failing further pronounced increases in basic commodity markets, however, continued broad advances in living costs seem improbable. Unusual efforts were exerted by a number of national authorities to curb the rise in commodity prices. This was true of several continental European countries, the Irish Free State, and Japan. In at least one case, that of Switzerland, price declines towards the close of the year led to a relaxation of control measures.

PERCENTAGE CHANGES IN WHOLESALE PRICE LEVELS SINCE DECEMBER, 1935.

<u>Country</u>	<u>December, 1935 to end of 1937^x</u>	<u>December, 1936 to end of 1937^x</u>
Australia	+ 9.9	- 0.4
Belgium	+ 14.5	+ 4.1
Canada	+ 13.8	+ 3.9
Czechoslovakia	+ 3.5	+ 1.4
France	+ 78.2	+ 21.6
Germany	+ 2.0	+ 0.5
Japan	+ 23.8	+ 10.5
Netherlands	+ 21.0	+ 6.5
New Zealand	+ 10.6	+ 7.9
Norway	+ 21.4	+ 13.6
Poland	+ 10.8	+ 2.6
Sweden	+ 15.3	+ 7.9
Switzerland	+ 19.0	+ 2.6
United Kingdom	+ 17.7	+ 6.7
United States	+ 0.7	- 3.2

^x Latest month available.

CANADA

WHOLESALE PRICES, 1937.

The irregular rise in Canadian price levels dating from February 1933, received its first major setback in the last half of 1937. The Bureau's index of wholesale prices for December was 82.7 on the base 1926=100. This compared with a December 1936 figure of 79.6, and indicated a net rise of 3.9 per cent. Year-end indexes alone, however, fail to give a true picture of price movements. The rapid advance which featured the latter half of 1936 continued at an accelerated pace until the final week of March when the Bureau's weekly index reached a peak of 86.9. Coincident with subsequent recession in world commodity markets, Canadian price levels reacted moderately, carrying the index to 84.1 for the week ending June 11. Rapid deterioration of the grain crop on the Prairies then stimulated an advance in the Canadian Farm Products

index of more than 12 p.c. in the next 5 weeks, while the general index rose 4 per cent to 87.7. A second decline commenced in August, and subsequent monthly indexes fell steadily with many wholesale prices ending the year considerably below opening figures.

Movements of indexes for the various component materials showed less variation in 1937 than in 1936. In the preceding year the range of dispersion was marked by vegetable products which advanced 25.2 p.c. and by a rise of 0.6 p.c. for non-metallic mineral products. In 1937 the range was from +13.9 p.c. to -7.1 p.c., and the actual percentage changes were as follows: Vegetable Products +1.5, Animal Products +5.8, Textiles -2.7, Wood Products +8.5, Iron and Its Products +13.9, Non-Ferrous Metals -7.1, Non-Metallic Minerals +1.4, and Chemicals +2.0.

The rise which took place during 1936 materially improved the economic position of large numbers of Canadian primary producers, and 1937 saw only minor readjustments in this regard. The table below giving the indexes of the various economic groups expressed as percentages of the general wholesale price level, shows this gradual adjustment since February 1933, when differences were as much as 50 p.c.. This change has come about largely through rises in raw material prices which have advanced Producers' Goods, Raw and Partly Manufactured Materials, and Canadian Farm Products until they are about on a par with manufactured goods.

The predominant position of raw materials in Canada's export trade has contributed largely to a pronounced rise in an index of wholesale prices for more important exports. A corresponding series for imports has advanced less rapidly but remains higher relative to 1926 price levels than the export index. The margin of import prices over export prices on this basis has been reduced from almost 30 per cent. at the beginning of 1934 to approximately 10 per cent. at the end of 1937. During the past year, however, the price position of imports improved slightly relative to that for exports, with the import index advancing from 83.4 to 86.3, and that for exports from 75.7 to 78.9. December figures for both series were well below mid-summer peaks of 92.7 for imports and 85.8 for exports.

COMMODITY GROUP INDEXES EXPRESSED AS A PERCENTAGE OF THE GENERAL WHOLESALE PRICE INDEX, 1933 - 1937.

	February 1933	December 1933	December 1934	December 1935	December 1936	December 1937
General Wholesale Price						
Level	100.0	100.0	100.0	100.0	100.0	100.0
Producers' Goods	91.5	93.2	96.1	95.6	101.0	100.0
Consumers' Goods	108.2	106.2	102.5	102.3	96.6	95.6
Raw and Partly Manufactured Materials	79.7	85.4	90.4	92.7	99.6	97.7
Fully and Chiefly Manufactured Materials	105.2	104.3	102.0	100.4	97.1	97.0
Building Materials	117.6	116.8	114.5	114.6	110.3	110.9
Canadian Farm Products	67.6	77.7	86.6	90.1	103.5	101.8

Price Movements of Basic Commodities.

In order to understand the underlying character of recent price trends, it is necessary to examine basic commodity price movements in detail. Percentage changes in price for 20 such products between December 1935 and 1936 ranged from an increase of 137 per cent. to a decline of 10 per cent. The sharpest advances were for grains, flour, non-ferrous metals, rubber, wool, and hides and skins. The only decline of consequence was recorded by cattle. Variations in this group for 1937 were much less, ranging from an increase of 27 per cent. to a decrease of 33 per cent. The greatest advances were for wood pulp, cattle, butter, and pig iron, while textiles, coarse grains, and non-ferrous metals moved lower. Whereas 14 items increased and 6 decreased in price during 1936, 10 rose and 10 fell in 1937. Advances predominated, however, as indicated by a rise of about 4 per cent. in the general wholesale price index in 1937 and of 9 per cent. the preceding year. Excepting raw silk, all 10 items which declined in price during 1937 had shown increases in 1936 and the largest decreases occurred in the prices of most articles showing the most substantial gains in 1936. As a result the range of dispersion, comparing December 1937 prices with those in December 1935, was materially less than the single year comparison of year-end prices in 1935 and 1936. An idea of the unsettled nature of commodity markets may be obtained from the following distribution of items according to their price behaviour in the past two years.

Percentage Change in Price

Dec. '35-Dec. '36 Dec. '36-Dec. '37 Dec. '35-Dec. '37

Rising in both 1937 and 1936

Wheat	+ 45	+ 9	+ 58
Flour	+ 36	+ 1	+ 36
Wood Pulp	+ 4	+ 27	+ 32
Pig Iron	+ 5	+ 17	+ 23
Lumber	+ 10	+ 4	+ 14

Rising 1937 Falling 1936

Butter	- 3	+ 16	+ 13
Cattle	- 10	+ 21	+ 10
Hogs	- 1	+ 5	+ 4
Coal	- 1	+ 2	+ 1
Petroleum Products	- 2	+ 2	0

Falling 1937 Rising 1936

Rye	+137	- 22	+ 85
Barley	+132	- 22	+ 81
Oats	+ 84	- 6	+ 72
Rubber	+ 59	- 27	+ 16
Raw Wool	+ 32	- 12	+ 15
Copper	+ 23	- 8	+ 13
Lead	+ 34	- 30	- 5
Hides and Skins	+ 22	- 29	- 13
Raw Cotton	+ 6	- 33	- 29

Falling in both 1937 and 1936

Raw Silk	- 3	- 20	- 22
----------------	-----	------	------

The contrast between the price movements in field and animal farm products is striking, and would be more so if wheat comparisons were based upon lower grades. Premiums on No. 1 and 2 Manitoba Northern wheat established in 1937, accounted for much of the rise in wheat prices while other grains were declining. Advancing prices of livestock and dairy products compensated to a considerable extent for 1937 decreases in grain prices. Although wool and cotton moved upward in 1936, the underlying price structure of all basic textiles showed decided weakness in 1937. Iron and steel products were firm in both years but non-ferrous metals dropped sharply in the latter part of 1937 following excessive speculative interest which collapsed in April. Wood pulp and lumber gained in both years, although 1937 increases for lumber had been practically lost by December.

As with the general indexes, year-end comparisons for these 20 items hide the appearance of changing trends. Four commodities established yearly highs in March, namely, rubber, copper, lead and cotton. Lumber and hides and skins reached a peak in April and pig iron did the same, remaining unchanged from then until the end of the year. The high point for wool came during May, while the hot, dry weather of July sent grains and flour to the year's record levels. Barley, however, failed to reach January figures at this time. The highest level for petroleum products also came in July and was maintained until October. August witnessed top prices for cattle and hogs, and wood pulp reached its maximum in September. For the fourth quarter, declines were general, and with the exception of seasonal highs for coal and butter in November and December, prices entered low ground for the year. Raw silk alone failed to show strength at any time and declined almost without interruption from January levels.

January proved to be the lowest month for pulp, iron, lumber, cattle and petroleum products, although lumber was down again by December almost to opening price levels. Coal reached a seasonal low in March and April as did butter in May. A weighted average of wheat prices was lower in June than at any other time during the year. Flour reached its minimum in November in sympathy with milling grades of wheat, although premiums on higher grades kept the wheat index 1.4 per cent. above June. Rye, hogs, rubber, and cotton also were at the lowest level in November. Barley, and oats, copper and lead, wool and silk, and hides and skins closed the year at the low point.

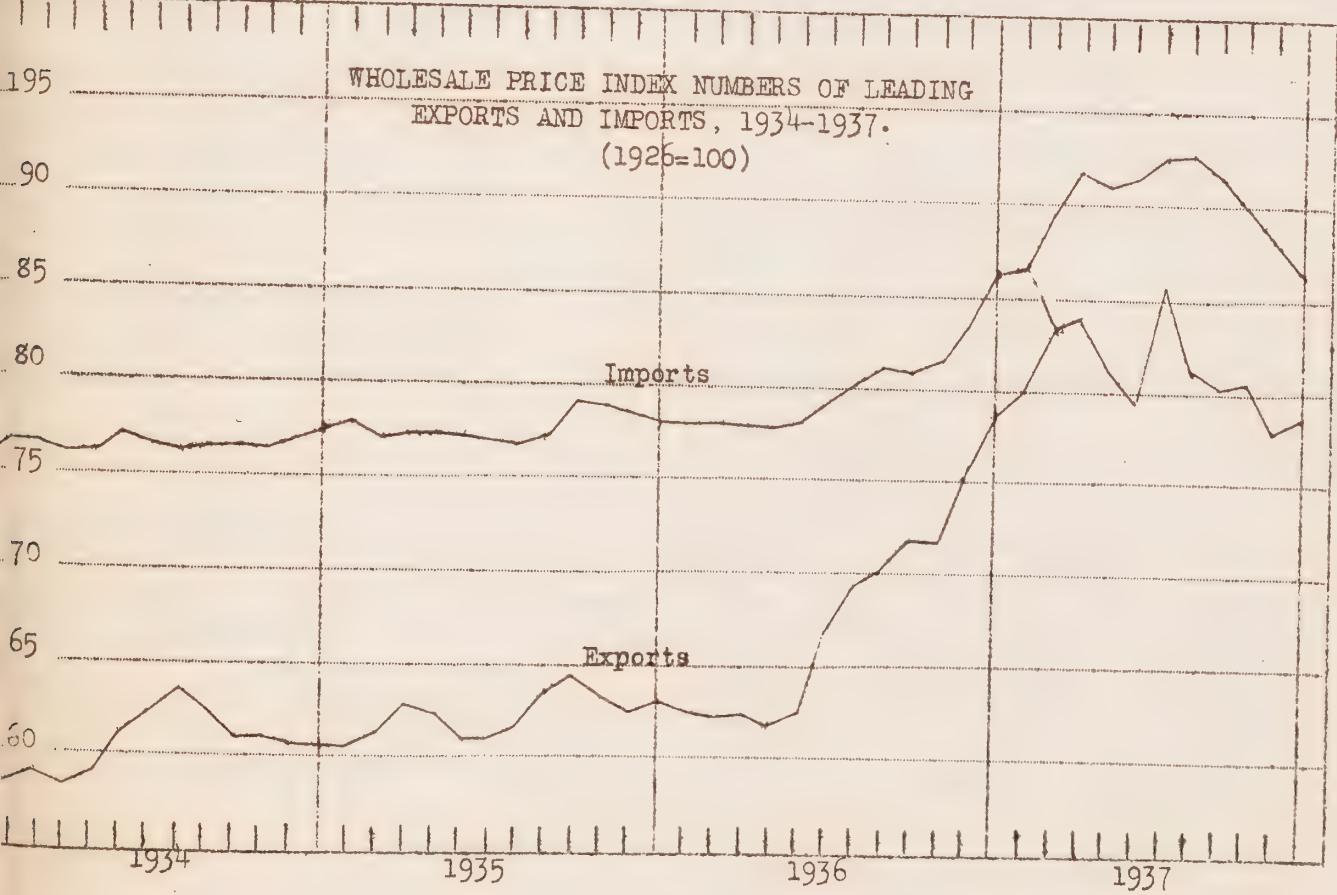
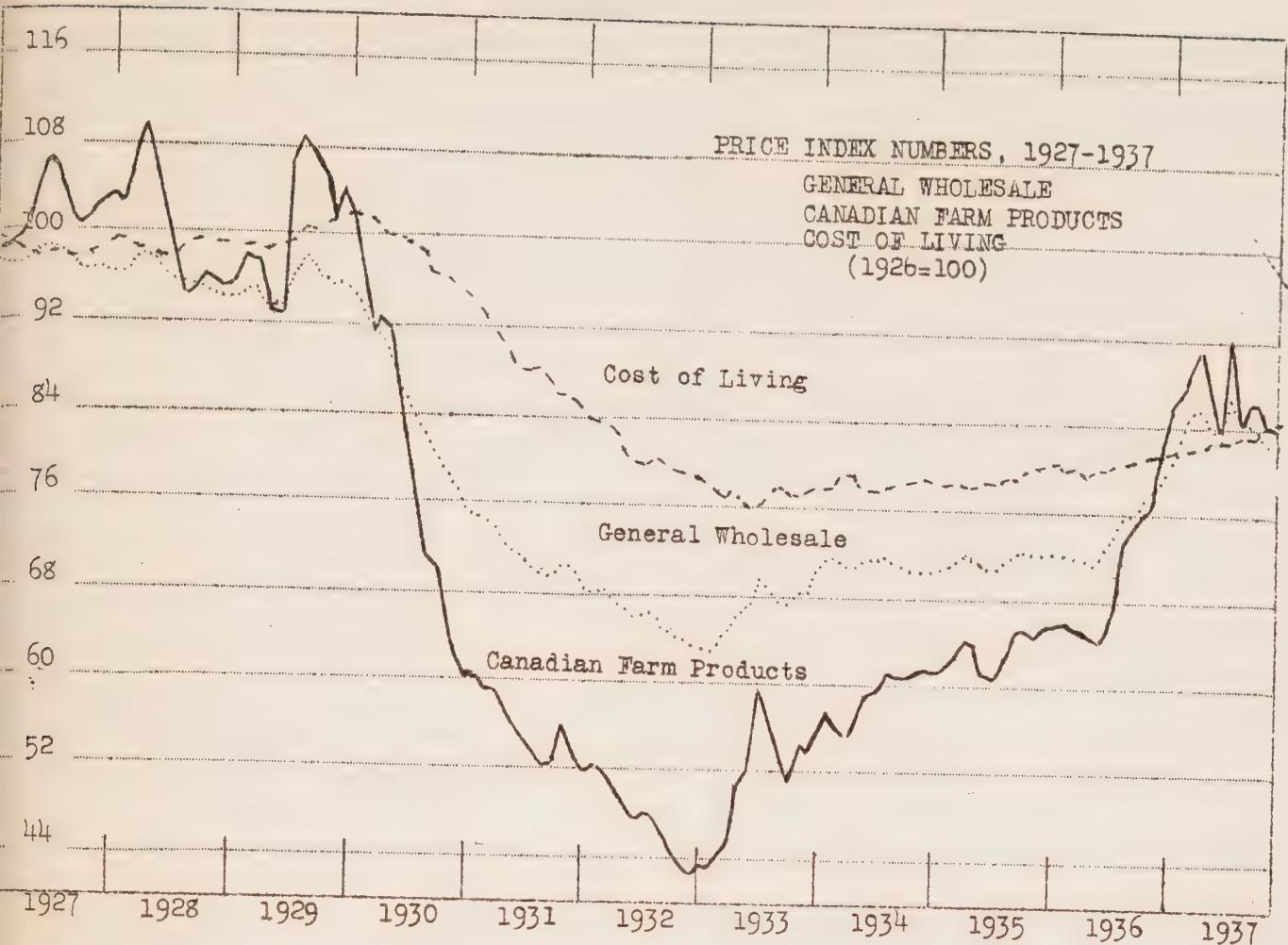
The extent of 1937 variations may be observed from the following statement which gives the indexes for the various series in December 1935, 1936 and 1937, and for the high and low months of 1937. It might be pointed out that daily records would increase the range of fluctuations which is narrowed also by the use of composite price series.

WHOLESALE PRICE INDEX NUMBERS OF IMPORTANT COMMODITIES IN CANADA.

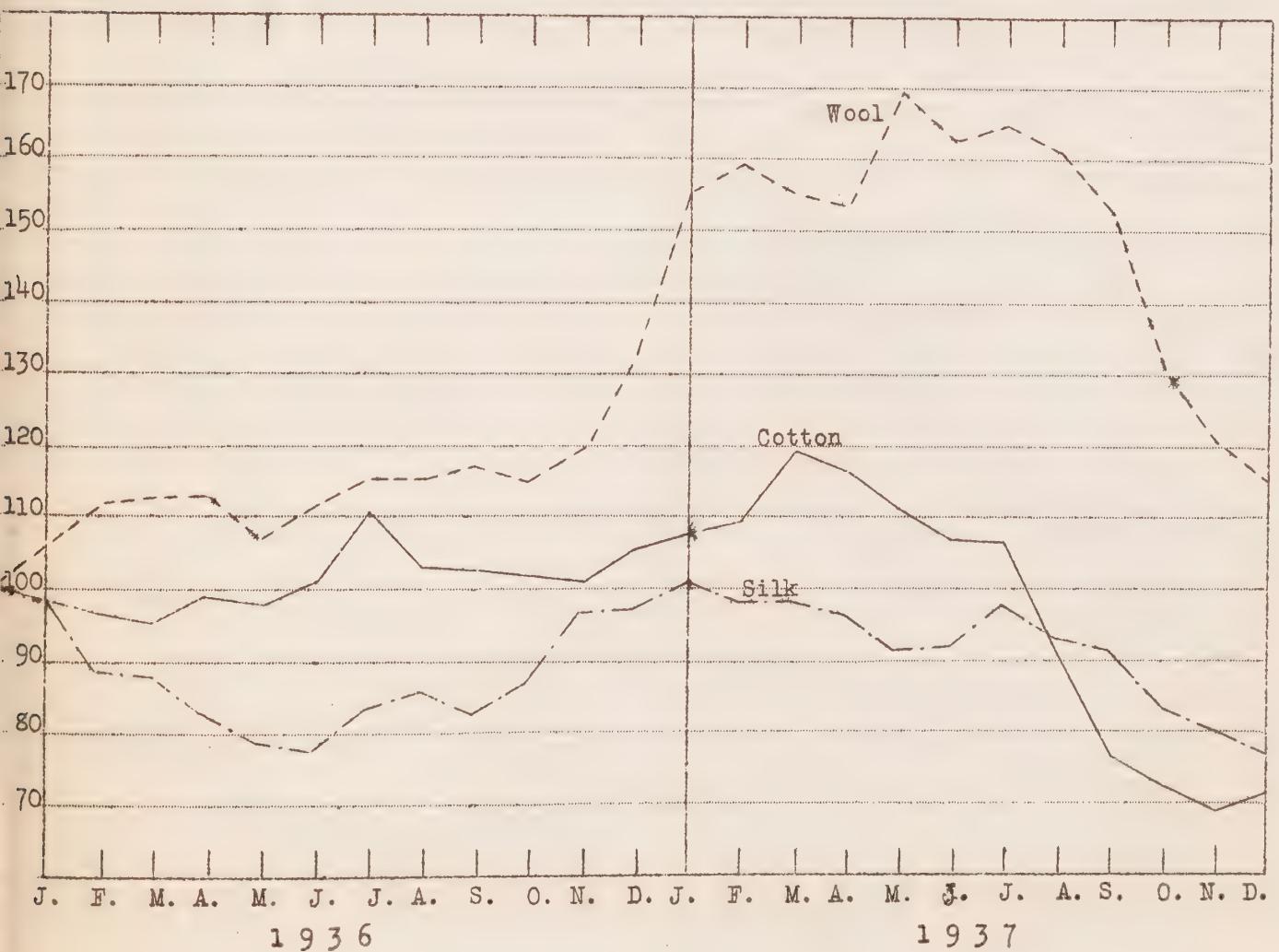
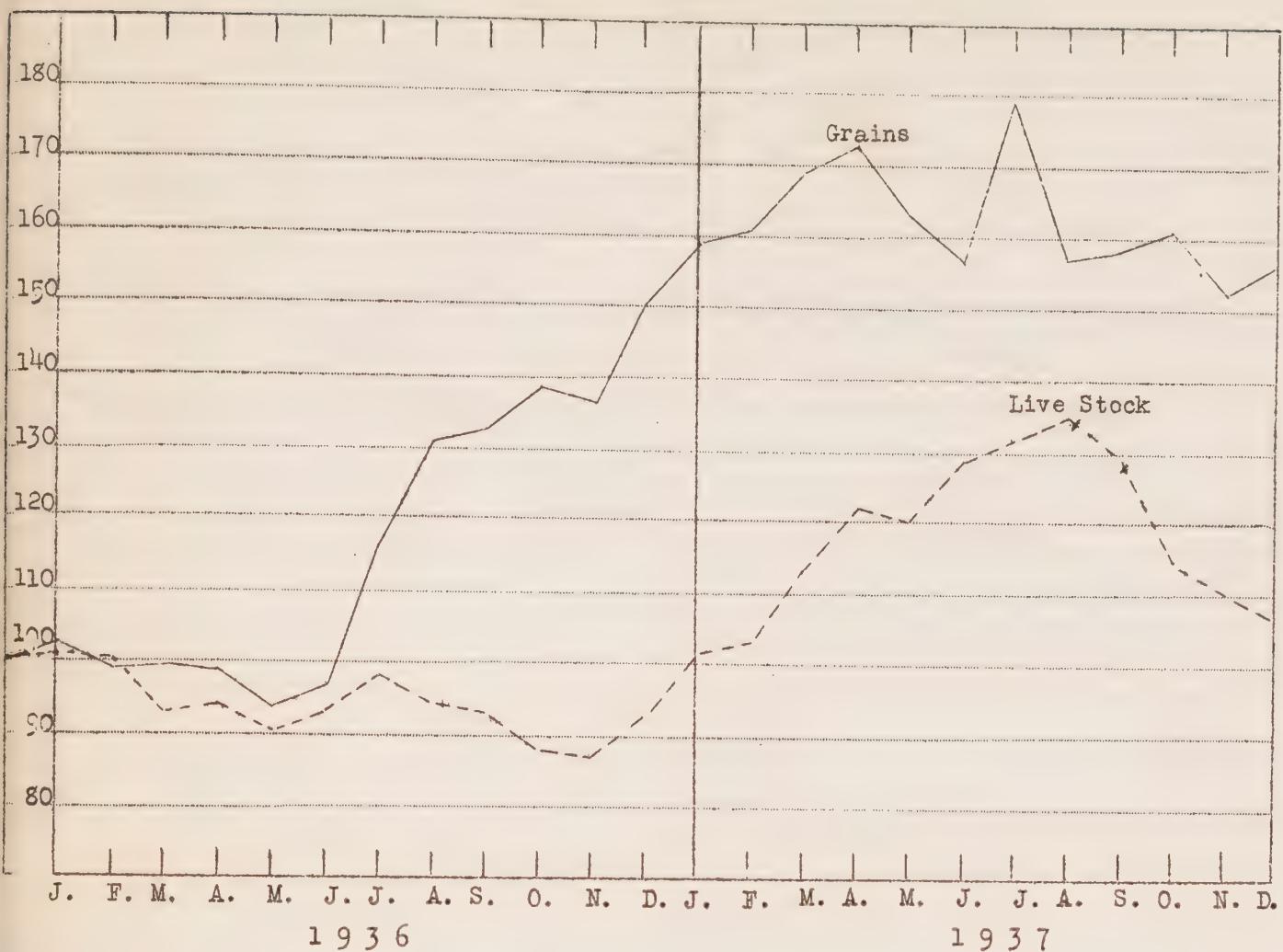
DECEMBER, 1935, 1936, 1937, AND 1937 HIGH AND LOW.

(1926=100.0)

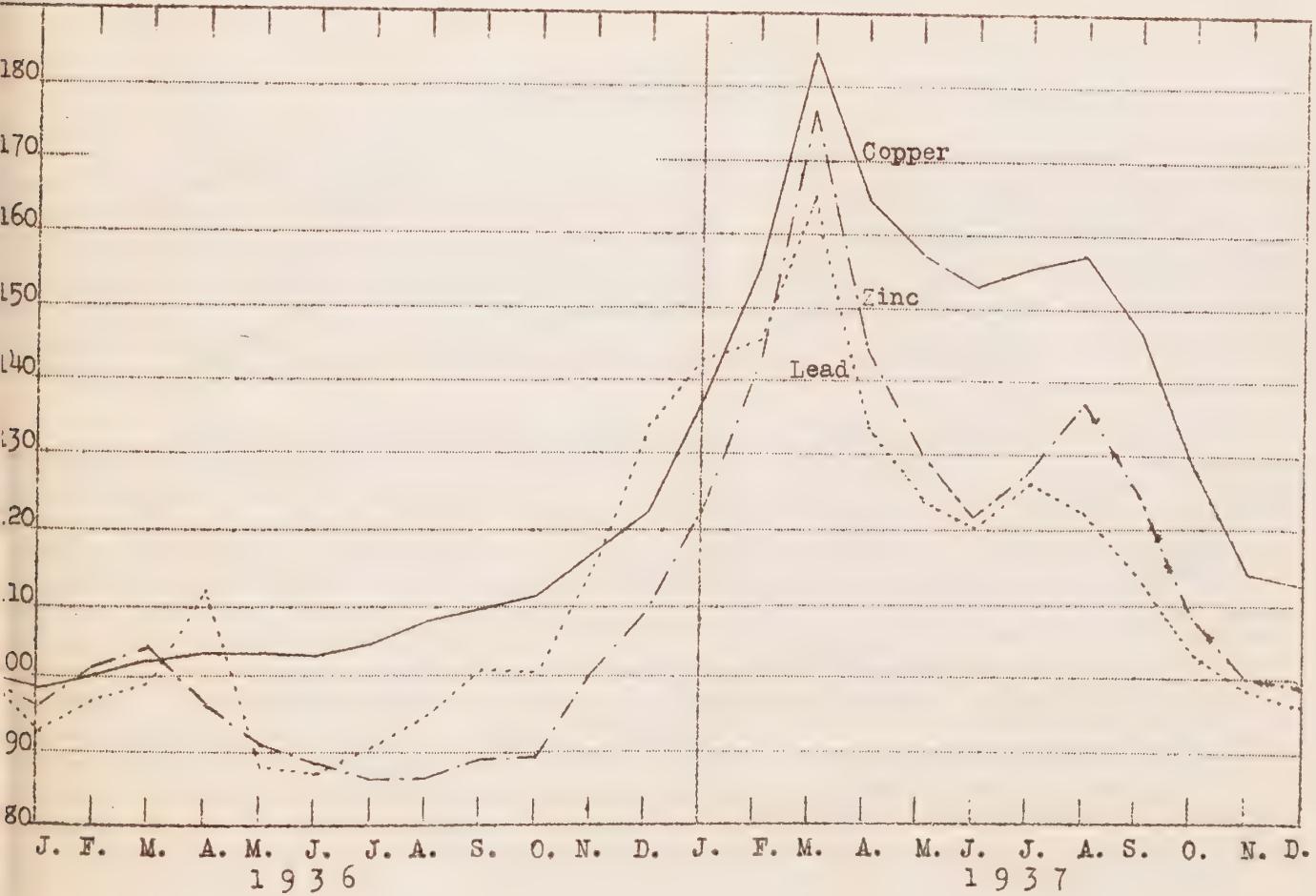
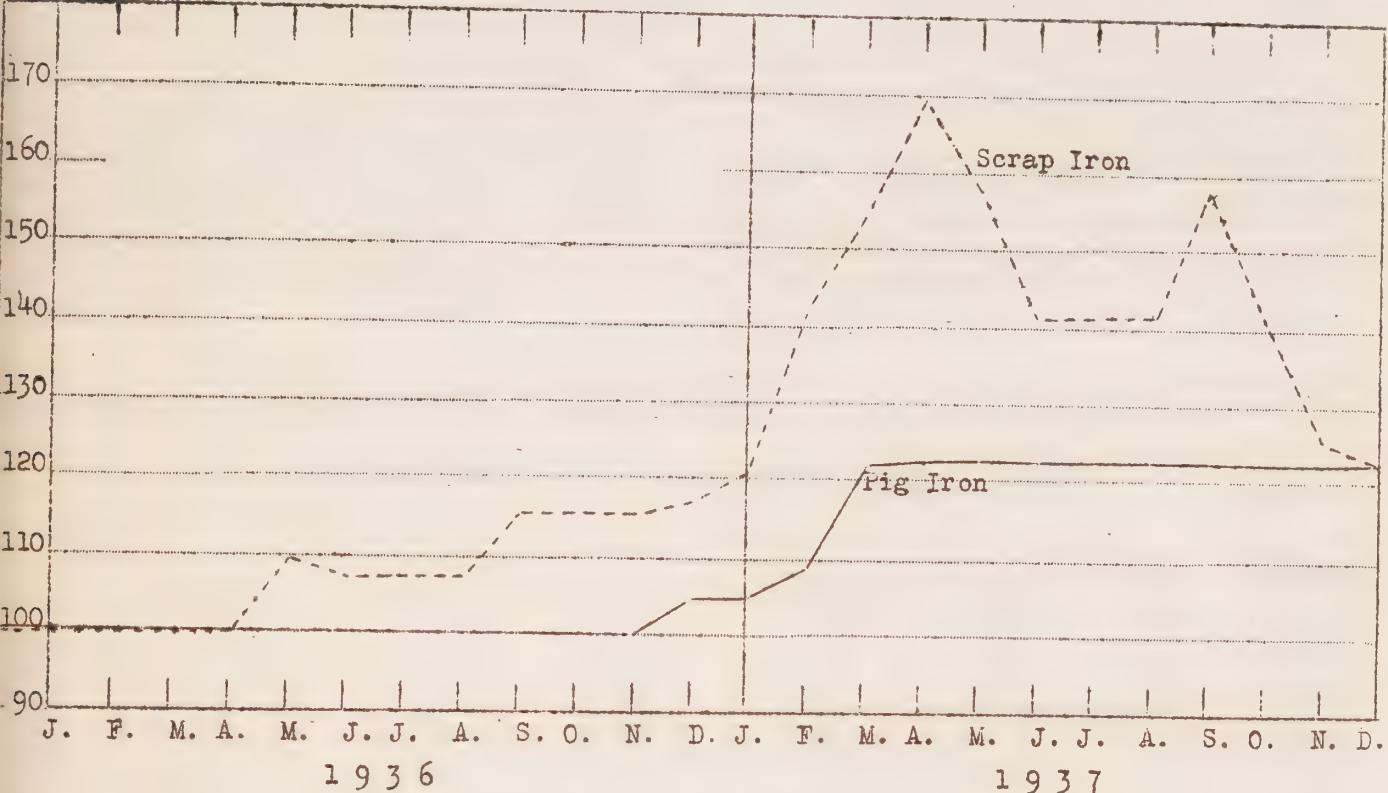
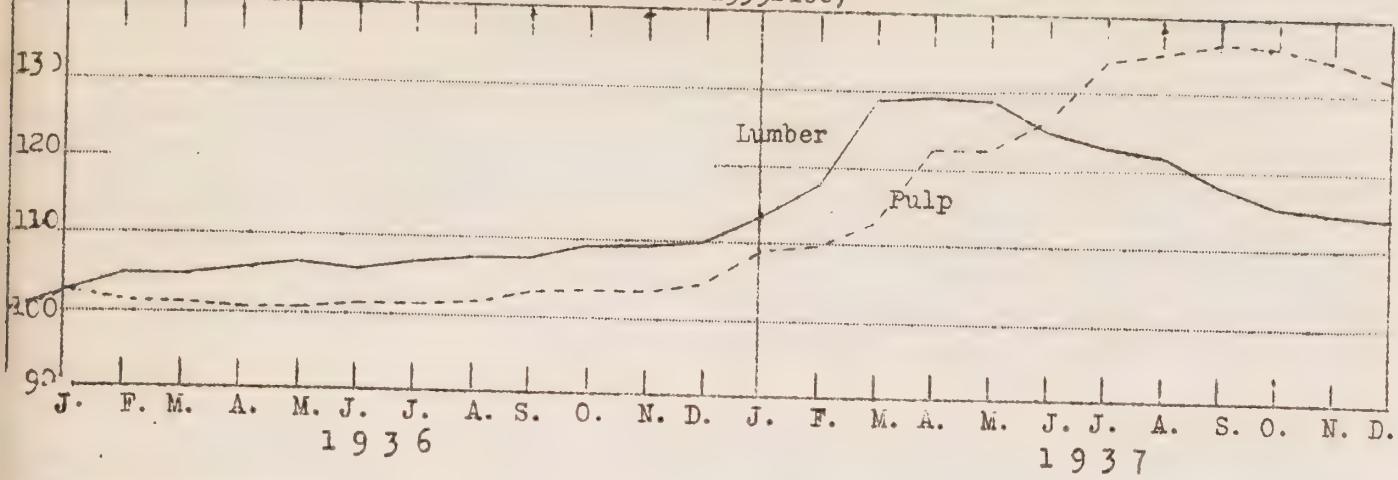
<u>Commodity</u>	<u>December 1935</u>	<u>December 1936</u>	<u>December 1937</u>	<u>1937 High</u>	<u>1937 Low</u>	
Barley	52.3	121.2	94.9	134.4 Jan.	94.9	Dec.
Oats	53.7	98.6	92.3	125.3 July	92.3	Dec.
Rye	44.0	104.4	81.2	152.8 July	79.5	Nov.
Wheat	56.1	81.6	88.7	98.8 July	84.6	June
Flour	69.3	94.0	94.5	107.5 July	93.0	Nov.
Raw Rubber	27.7	44.1	32.0	52.8 Mar.	31.3	Nov.
Hides and Skins .	84.0	102.1	73.0	120.9 Apr.	73.0	Dec.
Cattle	85.0	76.9	93.4	117.7 Aug.	85.8	Jan.
Hogs	61.9	61.2	64.1	79.8 Aug.	62.5	Nov.
Butter	68.1	66.1	76.8	76.8 Dec.	60.8	May
Raw Cotton	70.4	74.5	50.1	84.3 Mar.	48.8	Nov.
Raw Silk	33.0	32.0	25.6	33.3 Jan.	25.6	Dec.
Raw Wool	59.6	78.4	68.6	100.9 May	68.6	Dec.
Lumber and Timber	81.0	89.1	92.5	105.0 Apr.	92.0	Jan.
Wood Pulp	67.0	69.9	88.7	91.5 Sept.	73.2	Jan.
Pig Iron	83.0	87.2	101.7	101.7 Apr.- Dec.	87.2	Jan.
Raw Copper	59.7	73.3	67.3	110.0 Mar.	67.3	Dec.
Pig Lead	57.1	76.6	54.0	94.3 Mar.	54.0	Dec.
Coal	92.5	91.3	93.5	93.5 Nov.- Dec.	89.5	Mar.- Apr.
Petroleum Products	73.6	72.4	73.8	74.8 July- Sept.	72.4	Jan.



COMMODITY WHOLESALE PRICE INDEX NUMBERS, 1936 - 1937.
(December 1935=100)



7 -
COMMODITY WHOLESALE PRICE INDEX NUMBERS, 1936 - 1937
(December 1935=100)



COST OF LIVING, 1937.

The Dominion Bureau of Statistics cost of living index for Canada showed a net increase of 3.1 per cent. for 1937. This was the largest rise in any year since living costs commenced to move upward in 1933. Advances of approximately 5 per cent. in foods and rents were chiefly responsible, although clothing and miscellaneous items including household equipment, also moved higher. Fuel and lighting recorded a small fractional decrease, marking the third year of gradual decline. Fuel are now appreciably lower than in 1933 when living costs generally reached the lowest levels of the depression. The Bureau's cost of living index for December 1937 of 84.3 showed a net increase of 2.5 points for the year but remained approximately 20 per cent. below pre-depression levels.

A Dominion retail price index for 46 foods advanced, with two minor setbacks, from 75.3 in December 1936 to 79.1 in December 1937. Meats were responsible in large part for this rise, in spite of substantial declines in beef and pork during the last three months that cancelled much of earlier gains. Milk, butter, flour, bread, rolled oats, and sugar also moved considerably higher. The effect of these increases was partly balanced by sharp reductions for potatoes and lesser ones for eggs and dried beans. The slight downward drift in fuel costs has been due chiefly to small decreases in coal and coke price levels. House and apartment rents have been moving steadily upward since 1934, with the rise of 4.8 per cent. in 1937 indicative of an acceleration in this tendency. The advance in clothing prices of 2.4 per cent. represents the continuation of a trend dating back to 1935. The miscellaneous section heavily weighted by service costs which characteristically move very slowly, mounted only 1 per cent. during 1937.

The behaviour of the principal living cost constituents during the past five years may be observed from the following statement.

ANNUAL PERCENTAGE CHANGES IN LIVING COSTS, 1933-1937.

	Total Living Costs	Foods	Fuel and Lighting	Rent	Cloth- ing	Miscell- aneous
1933	+ 2.0	+ 4.1	+ 2.0	+ 10.7	+ 0.1	- 1.5
1934	+ 1.2	+ 4.1	+ 1.3	+ 0.1	+ 2.5	- 0.9
1935	+ 2.2	+ 6.5	+ 1.5	+ 2.9	- 0.4	+ 0.1
1936	+ 1.7	+ 2.2	+ 0.8	+ 2.8	+ 2.4	+ 1.0
1937	+ 3.1	+ 5.0	+ 0.3	+ 4.8	+ 2.4	+ 1.0

SECURITY PRICES, 1937

Canadian security prices of all types suffered net losses during 1937. Amounts varied, ranging from an average of approximately 20 per cent. for common stocks down to 2 per cent. for Dominion long-term bonds. Year-end comparisons failed to reveal the extent of price reactions in 1937 which came between February and October, following a period of rapid appreciation dating from the summer of 1935. This recession wiped out gains of 1936 and part of those recorded for 1935, before signs of hesitant recovery appeared in November and December. Mining stocks showed considerable improvement at this time, although industrials and utilities made little progress.

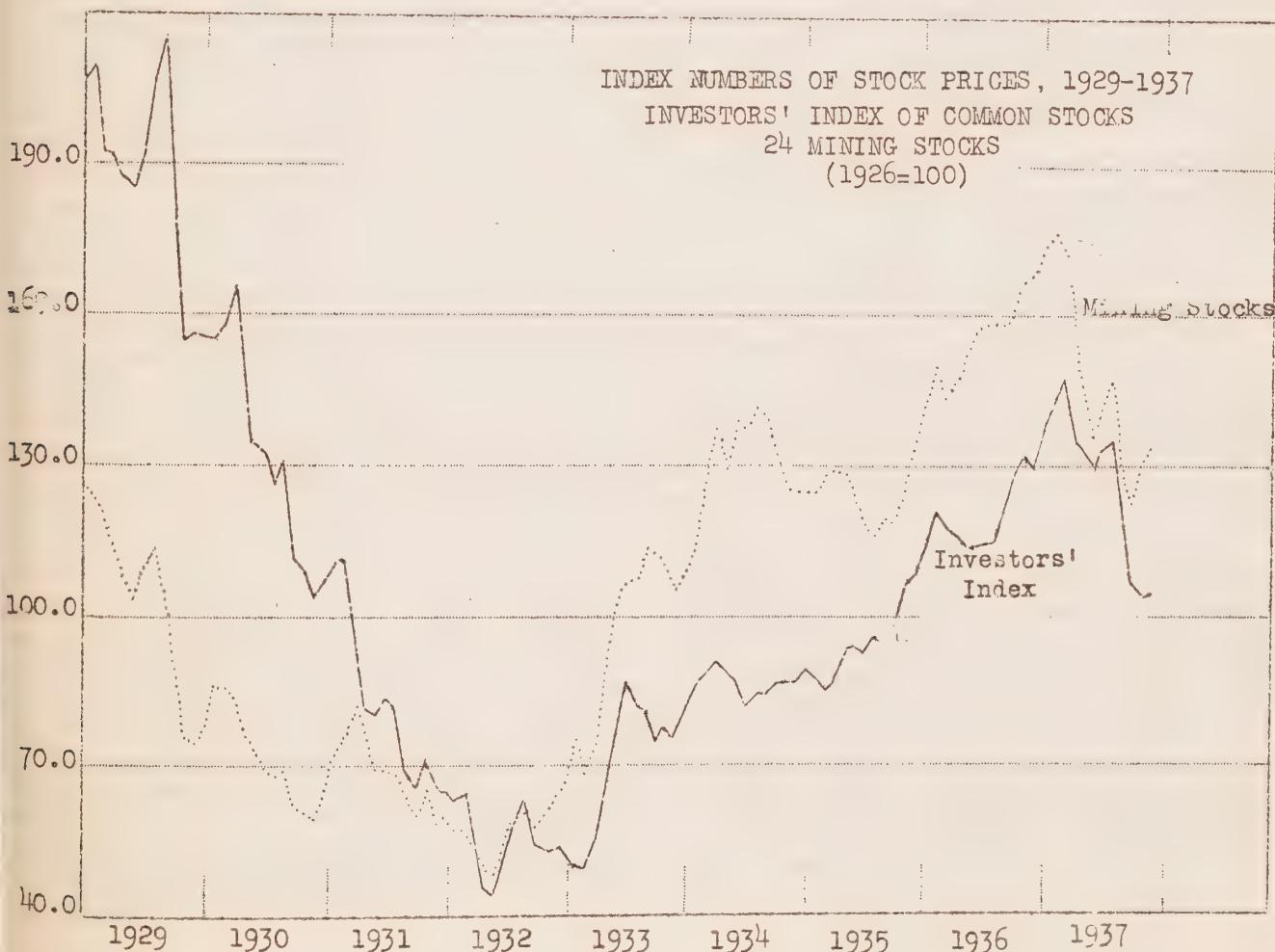
Industrial common stocks reached a major turning point on March 10 and thereafter moved definitely downward. This marked the termination of an irregular advance dating from February 1933. Intervening reactions were all of a minor character and bore little semblance to the drastic decline of the past year. The first phase of this movement ended on April 29 in a heavy wave of liquidation. The industrial index for that day was 205.0 as compared with the March 10 peak of 247.3 and the opening level of 220.0 on January 4. There followed a period of erratic recovery terminating on August 14 with the index at 226.0. Most of the improvement occurred in July. The second phase of decline was much more drastic although it gathered momentum rather gradually. Termination came on October 19 after a week which witnessed the sharpest break in prices since October 1929. The industrial index for the 18th was 154.9. Subsequent recovery was equally pronounced at first, but markets soon settled down into a series of cyclical fluctuations, usually of about two weeks duration, and little headway resulted. The industrial price index for December 31 was 165.6. The 1937 December average of 167.7 was 21.2 per cent. below the corresponding average for 1936. Percentage declines between monthly average levels for December 1936 and 1937 for

various industrial stock groups were as follows: Machinery 26, pulp and paper 38, milling 26, oils 13, textiles 9, foods 15, beverages 21, building materials 28, industrial mines 29.

Utility stock prices followed the general market swings of the industrial section, but fluctuations were less pronounced. Opening at 66.1 on January 4, a price index of 19 utility common stocks moved gradually upward to the year's high of 75.3 on February 20, three weeks before industrials reached their crest. The subsequent decline halted at an intermediate low of 59.2 on April 28. The second low in utilities of 48.0 came on October 19 after an intervening rise to 67.3 on August 9. Subsequent rallies showed little underlying strength and during the last two months the utility average twice dropped under the lowest October levels. It was 47.8 on December 31. Sharp declines in the transportation section, and last quarter weakness in the power issues were responsible for the losses registered by the utility group.

The movement of mining stocks showed the same broad outline as that for industrials and utilities, but the amplitude of fluctuations and positions of turning points differed materially. The first decline in the mining section started sooner and was much more severe. The second was less pronounced and subsequent recovery offered a marked contrast to weakness in utilities and the hesitant behaviour of the industrial section. The year's peak in gold stock prices came on February 3, when an index for 21 gold issues reached 142.0, up 6 points from the first of the year. The decline which followed was gradual at first, but accelerated during April, and despite repeated rallies, reactionary forces continued to predominate until the latter half of June. From 101.6 on June 23, the index moved up to 115.4 on August 16, only to establish successive new lows of 98.7 and 96.5 on September 10 and October 19 respectively. A strong rebound followed by more gradual but persistent advances brought the series up again to 118.3 on December 31.

Fluctuations in base metal stock prices were the most violent in many years. The net decline for 1937 indicated by comparison of 1936 and 1937 December averages was 33 per cent., as compared with 12 per cent. for gold issues. Although the year's peak in base metals came later in February, major turning points for the group coincided closely with those for the gold section. They were marked by the following daily price indexes: 321.8 on January 4, 372.6 on February 22, 254.9 on June 23, 299.8 on August 7, 168.7 on October 19, and 214.7 on December 31. The closing rise in stock prices anticipated later improvement in commodity markets.



Preferred stock prices continued to parallel the movements in industrial and utility common stock markets. Their recovery in recent years has been less decided than that shown for common stocks except in 1936, when the preferred section advanced 27 per cent. as compared with 20 per cent. for industrial and utility averages. The relative position of preferred issues was further improved in 1937 by a less pronounced decline of 14 per cent., approximately one-third less than the reaction in common stock averages. An index of 25 preferred stock prices advanced from 93.9 for December 1936 to 103.1 in April 1937, and then declined irregularly to 81.0 in December. The greatest part of this recession came in September and October.

Prices of Dominion of Canada long-term bonds declined moderately during 1937, but remained well above average levels of recent years. Year-end averages showed a net loss of approximately 2 per cent., but were only 3 per cent. below the all time peak levels of August and September 1936. An index of prices for representative Dominion long-term issues dropped from 118.2 for December 1936 to 112.7 for April 1937. Gradual recovery subsequently caused the index to advance to 115.5 for August, and it closed at 115.6 after narrow intervening fluctuations. Weakness in February and March appeared to be mainly associated with outside factors, as there were no new financing operations or other disturbing internal developments at this time. Refunding and loan operations of the Dominion and provinces proved generally successful. Eastern provincial issues were firm throughout the year and in some cases showed greater strength than Dominion maturities. Saskatchewan and Alberta bonds suffered appreciable losses, while those for Manitoba and British Columbia registered moderate net declines.

FOREIGN EXCHANGE, 1937

Apart from a marked decline in the French franc, there were no major adjustments in foreign exchange parities during 1937. Attempts to maintain the franc within limits set at the time of formal devaluation in October 1936 were unsuccessful, and recurrent periods of pressure culminated in a financial moratorium in the closing days of June. The new level of 3.875 cents also proved too high, although more than half a cent below the 1936 devaluation minimum. Further breaks early in October carried franc rates down to 3.29 cents which proved to be the low for the year. They later recovered to 3.40 cents and were stabilized near that level during November and December. Widening discounts on forward positions pointed to renewed pressure as the year ended. The unstable condition of short-term capital markets was reflected in the erratic behaviour of London gold bullion prices. Fears of a reduction in the United States official price of gold led to huge offerings on the London market in May and early June. British authorities finally intervened to establish a London price of \$34.72 per ounce. This restored confidence and quotations moved up again to the vicinity of the London-New York parity, thus effectively checking a heavy movement of gold to the United States. Later, after drastic declines in basic commodity price levels, gold hoarding reappeared and bullion prices at London moved above the London-New York parity, leading to a small outflow of gold from the United States to Europe early in November. Montreal sterling rates reached a 1937 peak of \$5.02 at this time, and then, after a moderate reaction, held close to \$5.00 for the balance of the year. Prior to November, sterling monthly averages varied between \$4.8824 (March) and \$4.9826 (August). New York funds at Montreal were quoted within small fractional amounts of par throughout the year. A persistent inflow of funds to the Netherlands caused the Netherlands Bank to reduce the official price of gold twice during the year in an attempt to discourage this movement. Montreal monthly average rates on the florin advanced from 54.77 cents in January to 55.62 cents in December. The Belgian belga was subject to intermittent periods of pressure but its basic position remained unshaken, and the December average rate of 16.99 cents was fractionally above levels of a year earlier. Scandinavian currencies maintained their positions with respect to sterling, registering moderate gains in the latter half of 1937. Trading in the Spanish peseta was resumed in August, and gradual declines reduced the December average to 6.19 cents as compared with 6.37 cents in August. Japan established a system of import control at the beginning of 1937, and supported the yen by repeated shipments of gold during the year. The yen-sterling parity remained practically unchanged. Latin-American currencies felt the impact of falling commodity markets in the final quarter through their influence upon export trade values. The Argentine peso held comparatively firm, in line with sterling, but other units including the Brazilian milreis suffered considerable declines. Brazil removed all exchange restrictions for a brief period in November and December, but re-imposed others before the year ended.

CANADIAN WHOLESALE PRICE INDEX NUMBERS, 1913-1937.
(1926=100.0)

	General Whole- sale Prices	Pro- ducers Goods	Con- sumers Goods	Building and Con- struction Materials	Raw and Partly Manufactured Mater- ials	Fully and Chiefly Manufactured Mater- ials	Canadian Farm Products
1913	64.0	67.7	62.0	67.0	63.8	64.8	64.1
1920	155.9	164.8	136.1	144.0	154.1	156.5	160.6
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	97.7	98.5	95.7	96.1	99.9	96.5	102.1
1928	96.4	96.7	95.6	97.4	97.4	95.0	100.7
1929	95.6	96.1	94.7	99.0	97.5	93.0	100.8
1930	86.6	82.5	89.3	90.8	82.2	87.3	82.3
1931	72.1	67.1	76.2	81.9	61.9	74.8	56.3
1932	66.7	62.4	71.3	77.2	55.0	69.8	48.4
1933	67.1	63.1	71.1	78.3	56.6	70.2	51.0
1934	71.6	67.8	74.1	82.5	63.5	73.4	59.0
1935	72.1	69.5	73.6	81.2	66.0	72.8	63.5
1936	74.6	72.4	74.7	85.3	70.8	73.6	69.4
<u>1937x</u>							
January	81.7	83.2	77.7	89.1	82.4	78.4	86.0
February	82.9	84.5	78.6	91.1	83.8	78.8	87.0
March	85.5	88.8	78.3	97.3	86.9	79.7	90.0
April	86.1	89.0	78.9	97.9	87.5	80.5	91.4
May	85.1	87.2	78.9	97.8	85.7	80.0	87.8
June	84.6	85.8	79.2	96.3	83.3	80.1	83.7
July	87.5	90.3	81.1	95.9	88.3	82.2	92.5
August	85.6	86.8	80.6	95.5	83.7	81.9	84.9
September ...	85.0	85.9	80.3	94.1	83.7	81.2	86.1
October	84.7	84.9	80.5	92.7	83.5	81.3	86.4
November	83.1	82.4	79.3	91.9	81.2	80.6	84.0
December	82.7	82.7	79.1	91.7	80.8	80.2	84.2

CANADIAN LIVING COST INDEX NUMBERS, 1913-1937.
(1926=100.0)

	Total Cost of Living Index	Food Index	Fuel Index	Rent Index	Cloth- ing Index	Sun- dries Index	Fuel, Clothing, House- hold Requirements	Retail Index of Foods, Clothing, House- hold Requirements	Retail Index of Fuel, Clothing, House- hold Requirements
1913	65.4	66.2	65.8	64.1	63.3	66.2	-	-	-
1920	124.2	141.1	102.6	86.5	153.2	104.0	-	-	-
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	98.4	98.1	97.9	98.8	97.5	99.1	97.9	97.9	97.9
1928	98.9	98.6	96.9	101.2	97.4	98.8	97.9	97.3	97.3
1929	99.9	101.0	96.4	103.3	96.9	99.0	98.9	96.9	96.9
1930	99.2	98.6	95.7	105.9	93.9	99.4	96.7	94.9	94.9
1931	89.6	77.3	94.2	103.0	82.2	97.4	82.5	87.3	87.3
1932	81.3	64.3	91.4	94.7	72.3	94.6	72.6	80.3	80.3
1933	77.5	63.7	87.7	85.1	67.1	92.6	70.1	76.2	76.2
1934	78.6	69.4	87.7	80.1	69.7	92.1	73.7	77.7	77.7
1935	79.1	70.4	86.8	81.3	69.9	92.2	74.1	77.5	77.5
1936	80.8	73.4	86.4	83.7	70.5	92.9	75.8	78.0	78.0
<u>1937x</u>									
January	81.8	75.2	86.3	84.9	71.6	93.0	77.1	78.8	78.8
February	81.9	75.6	86.4	84.9	71.6	93.1	77.2	78.8	78.8
March	82.2	75.7	86.4	84.9	72.6	93.3	77.7	79.5	79.5
April	82.4	76.3	86.4	84.9	72.6	93.3	77.9	79.5	79.5
May	82.9	76.6	85.9	87.3	72.6	93.4	78.1	79.5	79.5
June	82.9	76.4	84.0	87.3	72.9	93.7	78.0	79.5	79.5
July	83.1	77.2	83.8	87.3	72.9	93.7	78.4	79.5	79.5
August	83.7	79.1	84.4	87.3	72.9	93.7	79.4	79.6	79.6
September ...	83.6	78.3	84.5	87.3	73.3	93.9	79.1	79.9	79.9
October	84.2	78.9	85.3	89.0	73.3	93.9	79.5	80.1	80.1
November	84.2	78.8	85.7	89.0	73.3	93.9	79.5	80.2	80.2
December	84.3	79.1	86.1	89.0	73.3	93.9	79.7	80.3	80.3

x Subject to revision.

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United States Common Stock Prices
Canadian Stocks and Bonds

EXCHANGE QUOTATIONS AT MONTREAL, 1937.

NOTE: The noon rates in Canadian Funds upon which these averages are based have been supplied by the Bank of Canada.

	United States Dollar	London Sterling	France Franc	Belgium Belga	Italy Lira	Switzerland Franc	Holland Guilder	Norway Kroner	Sweden Kroner	Denmark Kroner
1937										
January	1.0003	4.9092	0467	.1687	0526	2294	.5477	.2467	.2531	.2192
February	1.0002	4.8953	0465	.1687	0526	2284	.5477	.2460	.2524	.2185
March	0.9995	4.8824	0460	.1684	0526	2278	.5467	.2453	.2517	.2180
April	0.9887	4.9095	0449	.1682	0525	2279	.5468	.2467	.2530	.2191
May	0.984	4.9313	0447	.1684	0525	2283	.5484	.2478	.2542	.2201
June	1.0005	4.9330	0444	.1688	0526	2289	.5500	.2481	.2546	.2204
July	1.0013	4.9735	0391	.1636	0527	2295	.5516	.2497	.2564	.2220
August	1.0001	4.9826	0375	.1683	0526	2297	.5516	.2503	.2569	.2224
September	1.0000	4.9552	0352	.1684	0526	2297	.5515	.2489	.2553	.2211
October	0.9997	4.9555	0335	.1685	0526	2301	.5527	.2489	.2554	.2211
November	0.9992	4.9908	0339	.1699	0526	2313	.5541	.2507	.2573	.2228
December	1.0004	4.9985	0340	.1699	0526	2313	.5562	.2511	.2576	.2231
1937										
January	0350	3.9273	0609	4024	3711	2970	2855	4.9031	3.9591	
February	0349	3.9003	0611	4023	3699	2964	2354	4.8892	3.9485	
March	0349	2.998	0610	4019	3687	2967	2048	4.8763	3.9375	
April	0349	3.028	0625	4015	3708	2969	2860	4.9033	3.9592	
May	0348	3.029	0640	4011	3722	2978	2874	4.9251	3.9768	
June	—	0348	3.9504	4009	3726	2969	2877	4.9252	3.9822	
July	—	0349	3.9789	4025	3755	2957	2892	4.9674	4.0108	
August	0637	0219	3.9861	4022	3761	2967	2903	4.9771	4.0183	
September	0647	0349	0639	4013	3739	2969	2887	4.9470	3.9950	
October	0627	0350	0585	4015	3740	2948	2884	4.9473	3.9947	
November	0351	2950	0572	4033	3767	2943	2907	4.9845	4.0248	
December	0351	2930	0544	4032	3769	2948	2910	4.9922	4.0310	

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Government
Publications

CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
INTERNAL TRADE BRANCH

PRICE MOVEMENTS IN 1938

Wholesale Prices
Retail Prices
Security Prices
Exchange

Published by Authority of the HON. W.D. EULER, M.P.,
Minister of Trade and Commerce.

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OTTAWA

1939

Price 25 cents

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Issued March 14, 1939.

Published by Authority of the Hon. W. D. Euler, M.P.,
Minister of Trade and Commerce

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
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PRICE MOVEMENTS, 1938

INTERNATIONAL TENDENCIES

The sharp decline in international price levels dating from the spring months of 1937 continued unabated through the first six months of 1938. Increases in world stocks of such commodities as wheat, cotton, rubber and tin played a considerable part in this movement. In July, however, an industrial rally of considerable proportions commenced in the United States, and this gave support to prices of several classes of basic commodities. More intensive rearmament, following the September European crisis, also contributed to higher prices which prevailed latterly in such commodities as copper, tin and rubber. Generally, however, wholesale prices did not parallel the advances in non-ferrous and iron and steel products, and closing 1938 wholesale indexes were practically at bottom levels for the year. The following table shows losses in national indexes outnumbering gains two to one. They ranged from 3.8 per cent for New Zealand to 11.4 for Canada, and appeared in sharp contrast to records for last year when only two countries indicated decreases. Increases in at least three of the five countries to show gains were due to special circumstances, i.e., currency depreciation in France and Japan, and a system of price control in Germany. Living costs, as usual, showed narrower fluctuations than wholesale prices but finished generally lower than December 1937 levels. Notable exceptions were the retail indexes for France and Japan which paralleled the rise of wholesale indexes in those countries.

PERCENTAGE CHANGES IN WHOLESALE PRICE LEVELS, DECEMBER, 1936-1938

<u>Country</u>	<u>December, 1936 to end of 1938*</u>	<u>December, 1937 to end of 1938*</u>
Australia	+ 4.3	+ 6.2
Belgium	- 3.1	- 6.4
Canada	- 7.7	- 11.4
Czechoslovakia	+ 2.1	+ 0.7
France	+29.9	+ 6.8
Germany	+ 0.7	+ 0.2
Japan	+17.5	+ 4.7
Netherlands	- 0.1	- 6.2
New Zealand	+ 3.9	- 3.8
Norway	+ 7.1	- 5.7
Poland	- 3.7	- 5.7
Sweden	+ 1.6	- 5.9
Switzerland	- 0.9	- 3.5
United Kingdom	- 2.4	- 8.6
United States	- 8.4	- 5.6

* Latest month available.

CANADA

WHOLESALE PRICES, 1938

Wholesale price levels in Canada during 1938 were reduced materially. The Dominion Bureau of Statistics weekly index of 567 commodity prices receded almost steadily from a level of 84.3 in the first week of January to 74.0 for the week of September 9. At this point the index stiffened and remained comparatively firm through the last quarter, losing the year at 73.2. Between December, 1937, and December, 1938, the monthly general index of wholesale prices dropped from 82.7 to 73.3, a loss of 11.4 per cent. The Vegetable Products index, paced by the rapidly falling and heavily weighted grain index, was mainly responsible for this major setback. As it became increasingly evident that Canada and other leading exporters would harvest large wheat crops, the grain index tumbled sharply to the year's low of 41.7 on November 4. This compared with an opening index of 51.

The range of fluctuation in the component groups between December, 1937, and December, 1938, explains to some extent the behaviour of the general index. The 1938 net changes (compared with the 1937 net changes in brackets) were: Vegetable Products -29.3 p.c. (+1.5 p.c.), Animal Products -6.8 p.c. (+5.8 p.c.), Textiles -3.9 p.c. (-2.7 p.c.), Wood and Wood Products +0.9 p.c. (+8.5 p.c.), Iron and Its Products -5.6 p.c. (+13.9 p.c.), Non-Ferrous Metals -1.4 p.c. (-7.1 p.c.), Non-Metallic Minerals -1.0 p.c. (+1.4 p.c.) and Chemicals -2.1 p.c. (+2.0 p.c.). It is readily apparent that index fluctuations with the exception of Vegetable Products were comparatively small. Of the eight groups, Wood and Wood Products was the only one to show a gain in 1938, and that of a minor character. The tremendous effect of the recession in the grain index was clearly shown by the loss in the Vegetable group index. The position of the Animal Products group index was altered considerably during the latter half of 1938 coinciding with the substantially cheaper feed situation. Livestock prices which had been kept at a high level for the first six months were quick to react to the changing grain picture. Declines in the Textile group were mostly confined to raw wool and its manufactures. In the Wood and Wood Products group strength was due mainly to the higher prices ruling in the newsprint industry when a basic New York price of \$50.00 a ton was set for 1938. All sections of the Iron and Steel group experienced weakness though price reductions were chiefly centred in the pig iron and rolling mill products indexes.

Lower prices in the aluminum, antimony and solder sub-group indexes were mainly responsible for the narrow change in the Non-Ferrous group. Removal of the sales tax on building materials in 1938 contributed to a slight recession in the Non-Metallic group index, and lower gasoline prices were also associated with the decline in this group. Price reductions in the Chemical group were general and outweighed advances for fertilizers and industrial gases.

The Canadian Farm Products index in which grains are the most important constituent suffered a sharp setback in 1938. The opening level was 87.3 but successive monthly declines brought it down to a 1938 low of 63.0 on September 9. Following the stabilizing effect of the 80 cent minimum price set on No.1 Manitoba Northern wheat by the Canadian Grain Board, the index ruled firmer for the remainder of the year, closing at 64.6.

As might be expected from the foregoing comments, primary commodity indexes showed considerable recessions compared with manufactured goods indexes during 1938. The position occupied by Producers' Goods, Raw and Partly Manufactured Materials and Canadian Farm Products relative to manufactured materials was approximately on a par with December, 1935, or about 10 per cent below corresponding levels of a year ago. An interesting point to be noted was the pronounced stability of the Building Materials index which showed greater resistance to decline than either primary or fully manufactured product indexes.

Declines of unusual magnitude were noted in the prices of Canada's leading exports during 1938. The Bureau's index of export wholesale prices dropped continuously from 82.3 in January to 61.9 in September, where it levelled off to close the year at 60.8. This was down 22.9 per cent from December, 1937. An analysis of individual commodity price changes showed practically all the loss concentrated in the Vegetable Products group in which grain and flour prices are of predominant importance. These prices as noted previously, suffered very sharp recessions in 1938. The actual index decline in Vegetable Product exports was from 89.8 in January to 44.4 in December. With the exception of the Chemicals group which advanced, due to increases in fertilizer prices, all other sections of the export index series experienced moderate price recessions between the opening and closing months of the year. Compared with the export price situation, import price movements were of a minor character, the net recession amounting to only 4.4 per cent between December, 1937, and December, 1938. Sub-group indexes in this series were generally lower in December, 1938, than at the close of the previous year although slight advances were noted for non-ferrous and chemical sub-group indexes. At the beginning of 1938 the import price index level exceeded that for exports by only 4.1 per cent, the narrowest difference in several years. By December, however, the divergence in favour of imports had increased to 35.2 per cent.

COMMODITY GROUP INDEXES EXPRESSED AS A PERCENTAGE OF THE CORRESPONDING
GENERAL WHOLESALE PRICE INDEX, 1933-1938

General Wholesale Price Level	February 1933	December 1934	December 1935	December 1936	December 1937	December 1938
	100.0	100.0	100.0	100.0	100.0	100.0
Producers' Goods	91.5	96.1	95.6	101.0	100.0	93.3
Consumers' Goods	108.2	102.5	102.3	96.6	95.6	103.7
Raw and Partly Manufactured Materials	79.7	90.4	92.7	99.6	97.7	88.5
Fully and Chiefly Manufactured Materials	105.2	102.0	100.4	97.1	97.0	100.4
Building Materials	117.6	114.5	114.6	110.3	110.9	121.6
Canadian Farm Products	67.6	86.6	90.1	103.5	101.8	88.1

INDUSTRIAL MATERIAL PRICES IN CANADA
(1926=100)

The Dominion Bureau of Statistics inaugurated a new series of index numbers in 1938, consisting of 30 basic industrial materials. It is computed from an unweighted geometric average with 1926 prices equal to 100. The 30 commodities were divided into two main groups of 18 Sensitive Manufacturing Materials and 12 Stable Price Series. The 18 sensitive commodities were, in turn, separated into two sub-groups of 13 Sensitive Manufacturing Materials and 5 Food Products. A specially prepared table of weekly indexes calculated for these sections is shown for 1938 on page 5. In order to provide an historical background the composite index is also shown by months from 1926 to December, 1938. These sub-group indexes are presented in graphic form on page 6, and a list of the actual commodities used in compiling this index as well as single commodity indexes for December, 1936, 1937 and 1938 is found on page 4.

The average level of the 30 basic industrial material commodities making up the composite index dropped 6.9 points to 64.5 between the opening and closing weeks of 1938. It was then only slightly above the year's low of 63.5 established in the first week of December. Net losses were shown for 19 commodities at the close of 1938, ranging between 54.7 p.c. for wheat and 3.3 p.c. for lead. Scrap iron was unchanged, while 10 commodities were higher, gains ranging from 16.6 p.c. for beef hides to 0.9 p.c. for iron ore.

It will be at once apparent from the chart on page 6 that the Food Products index suffered by far the sharpest decline in 1938. This was due almost entirely to the rapid fall in prices for wheat and oats in the summer months as it became increasingly evident that Canada would harvest a large grain crop. For the first six months of the year this index remained relatively steady, moving between a low of 70.9 in the fifth week of April and a peak of 76.3 for the last week of June which also proved to be a high for the year. It then dropped irregularly to the year's low of 51.0 at the end of October, but had recovered to 57.1 at the close of the year.

An index for 13 Sensitive Manufacturing Materials moved gradually lower from an opening figure of 54.2 to the year's low of 45.6 in the final week of May. Moderate recovery in the latter half of 1938 brought this index up to 50.6 at the end of December. Relatively severe losses were sustained by several important commodities included in this section between December, 1937 and 1938. Manila hemp dropped 34.1 p.c.; raw wool 31.9 p.c.; raw rubber 26.1 p.c., and zinc 12.1 p.c. Six commodities were higher at the close of the year though advances were less than 10 p.c. with the exception of beef hides and raw silk which were up 16.6 and 15.6 p.c. respectively.

The rapid fall in the average price level of the Food Products index in 1938 offered a marked contrast to the relative stability of prices included in the Sensitive Manufacturing Materials sub-group. At the beginning of the year the index for 5 Food Products at 74.9 was approximately 20 points above the Sensitive Manufacturing Materials index, and this spread gradually widened throughout the next six months until a maximum difference of 28.7 points was attained in the final week of June. The divergence narrowed sharply after this point, due mainly to the swift decline in grains, and reached a minimum in the final week of October when the Food Products index at 51.0 was 0.9 below the index for 13 Sensitive Manufacturing Materials. Comparative steadiness was displayed by both indexes until mid-November when moderately higher prices for steers, hogs and raw sugar moved the index level of the Food Products sub-group to 57.1 at the end of December compared with a closing figure of 50.6 for the Sensitive Manufacturing Materials group.

Except for a minor advance in August and September the index for 12 stable commodities moved steadily lower in 1938. Prices for 8 of the 12 items included, were lower at the close of the year, the most pronounced declines being recorded by wood pulp, white lead and spruce lumber. Minor advances were noted for three commodities while one was unchanged. Between the opening and closing weeks of 1938 the group index dropped 8.0 points to 88.1.

INDEX NUMBERS OF INDUSTRIAL MATERIALS IN CANADA

<u>Commodities</u>	<u>December 1936</u>	<u>December 1937</u>	<u>December 1938</u>	<u>December 1938 December 1937</u>
Sensitive Price Series (18)				
(a) Manufacturing Materials (13)				
Raw Rubber, plantation, first				
latex crepe	44.7	31.1	33.6	+ 8.0
Linseed Oil, raw	81.4	84.4	62.4	-26.1
Cottonseed Oil, refined.....	71.2	69.8	62.4	-10.6
Rosin, water white	66.8	54.4	48.1	-11.6
Beef Hides, country cured	58.6	45.1	52.6	+16.6
Raw Cotton, middling 1"- 1 1/16"	75.7	53.5	53.0	+ 1.0
Raw Wool, eastern bright 1/4				
blood	80.1	76.8	52.3	-31.9
Raw Silk, (composite of 9 items)	32.0	25.6	29.6	+15.6
Manila Hemp, 12 1/2 p.c. fair				
current	58.8	57.4	37.8	-34.1
Lead, domestic	76.6	54.0	50.6	- 3.3
Zinc, spelter	54.0	48.7	42.8	-12.1
Copper, electrolytic domestic ..	73.3	67.3	68.8	+ 2.2
Tin Ingots, Straits	86.7	68.0	73.7	+ 8.4
(b) Food Products (5)				
Wheat, No.3 Manitoba Northern ..	82.7	83.5	37.8	-54.7
Oats, No.3 Canada Western	99.4	93.3	53.9	-42.2
Raw Sugar, B.W.I. preferential..	38.0	45.1	42.1	- 6.7
Steers, good quality	74.5	96.2	88.3	- 8.2
Hogs, good bacon	61.6	62.5	67.3	+ 7.7
Stable Price Series (12)				
Spruce Lumber, Quebec	93.2	107.4	96.1	-10.5
Fir Lumber, No.1 common	94.7	92.8	95.7	+ 3.1
Pulp, unbleached sulphite	72.0	88.0	71.9	-18.3
Pulp, bleached sulphite	66.3	87.9	70.6	-19.7
Iron Ore, mesabi bessemer	105.6	116.0	117.1	+ 0.9
Scrap Iron, heavy melting,				
charging box size	82.6	82.6	82.6	.0
Structural shapes, open				
hearth	100.0	102.0	95.9	- 6.0
Merchant Bars, mild steel	98.0	110.2	104.1	- 5.5
Steel Sheets, No.24 U.S.G.,				
galvanized	94.3	112.0	102.8	- 8.2
Crude Oil, mid-continent	72.8	76.1	70.5	- 7.4
Coal, American bituminous,				
run-of-mine	95.3	99.3	100.9	+ 1.6
White Lead, basic carbonate				
in oil	87.0	86.7	74.5	-14.1

TABLE I. - MONTHLY PRICE INDEX NUMBERS OF 30 INDUSTRIAL MATERIALS, 1926-1938
(1926=100)

<u>Year</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1926	104.7	102.6	100.7	99.4	98.3	98.4	99.5	98.9	99.2	99.1	97.4	98.0
1927	97.2	97.5	96.4	96.7	96.8	96.9	96.0	96.6	96.7	96.0	94.8	96.1
1928	95.4	93.7	94.5	94.1	95.2	93.8	93.4	92.1	90.9	89.9	90.2	91.1
1929	92.2	92.7	93.2	91.8	90.3	90.4	92.9	93.0	93.7	92.4	89.4	89.5
1930	88.3	86.8	84.0	83.4	79.8	77.4	74.0	71.9	69.3	67.7	66.6	64.9
1931	63.9	62.1	61.5	61.2	59.5	59.3	59.6	57.9	56.1	57.7	58.1	57.7
1932	56.8	55.2	53.4	51.5	49.7	49.2	50.3	51.6	51.5	49.9	49.1	47.4
1933	46.0	45.8	48.4	49.3	54.0	56.7	60.8	59.4	58.6	55.7	57.0	57.6
1934	59.4	61.7	61.5	60.1	60.7	60.9	59.8	60.1	59.1	58.4	58.3	58.9
1935	59.8	60.0	59.7	61.1	62.0	61.7	62.0	62.1	64.1	65.9	65.5	65.3
1936	66.1	66.5	66.3	66.0	64.6	64.6	66.4	67.7	68.2	68.0	69.9	73.1
1937	78.1	79.3	85.2	84.7	83.4	82.3	84.5	82.9	81.2	76.8	73.4	71.5
1938	70.6	69.2	68.8	67.4	65.9	65.5	66.3	65.1	64.1	64.2	64.2	63.8

TABLE II. - WEEKLY PRICE INDEX NUMBERS OF 30 INDUSTRIAL MATERIALS, 1938
(1926=100)

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1st Week..	71.4	69.3	69.0	67.7	66.8	65.0	66.7	65.4	64.2	64.5	63.8	63.5
2nd Week..	71.4	69.0	68.9	67.4	66.9	64.9	67.1	64.8	63.8	64.7	64.0	63.8
3rd Week..	70.5	69.2	68.8	67.5	65.5	35.0	63.4	65.1	64.4	64.0	64.1	63.8
4th Week..	69.5	69.1	68.6	67.5	64.9	66.4	66.6	64.7	63.9	64.1	63.8	64.0
5th Week..	-	-	-	67.0	-	-	66.2	-	64.4	-	-	64.5

TABLE III. - CONSTITUENT GROUP WEEKLY PRICE INDEX NUMBERS OF INDUSTRIAL MATERIALS, 1938

1. Eighteen Sensitive Commodities

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1st Week..	59.3	56.5	56.1	54.6	53.6	52.2	54.6	53.3	51.5	51.7	51.2	51.0
2nd Week..	59.3	56.0	56.0	54.1	53.7	52.1	55.3	52.9	51.0	52.2	51.5	51.3
3rd Week..	58.0	56.3	56.1	54.7	52.8	52.3	54.9	52.6	51.6	51.4	51.5	51.4
4th Week..	56.7	56.2	55.7	54.6	52.0	54.2	55.1	52.2	51.0	51.5	51.3	51.7
5th Week..	-	-	-	53.9	-	-	54.7	-	51.5	-	-	52.4

2. Thirteen Sensitive Manufacturing Materials

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1st Week..	54.2	51.4	50.8	48.9	48.5	46.1	48.5	49.9	49.2	51.2	51.1	50.1
2nd Week..	54.4	51.0	50.3	48.3	48.1	46.2	49.7	49.6	49.4	51.7	51.4	50.0
3rd Week..	53.0	51.2	50.4	48.9	46.7	46.0	49.2	49.4	49.9	51.4	50.9	50.1
4th Week..	51.6	51.0	49.6	49.1	45.6	47.6	50.0	49.6	49.7	51.9	50.5	50.3
5th Week..	-	-	-	48.5	-	-	50.3	-	50.2	-	-	50.6

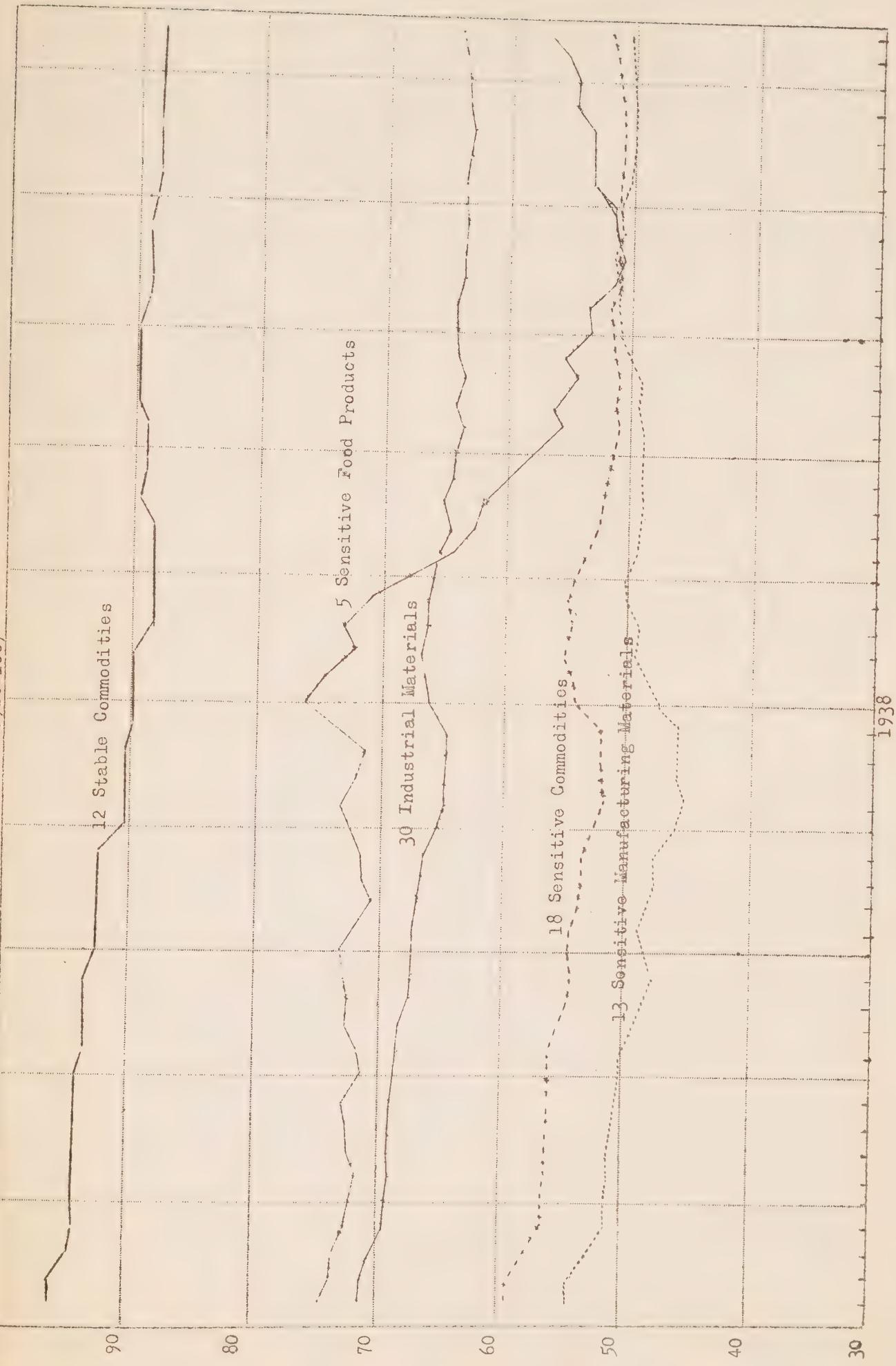
3. Five Sensitive Food Products

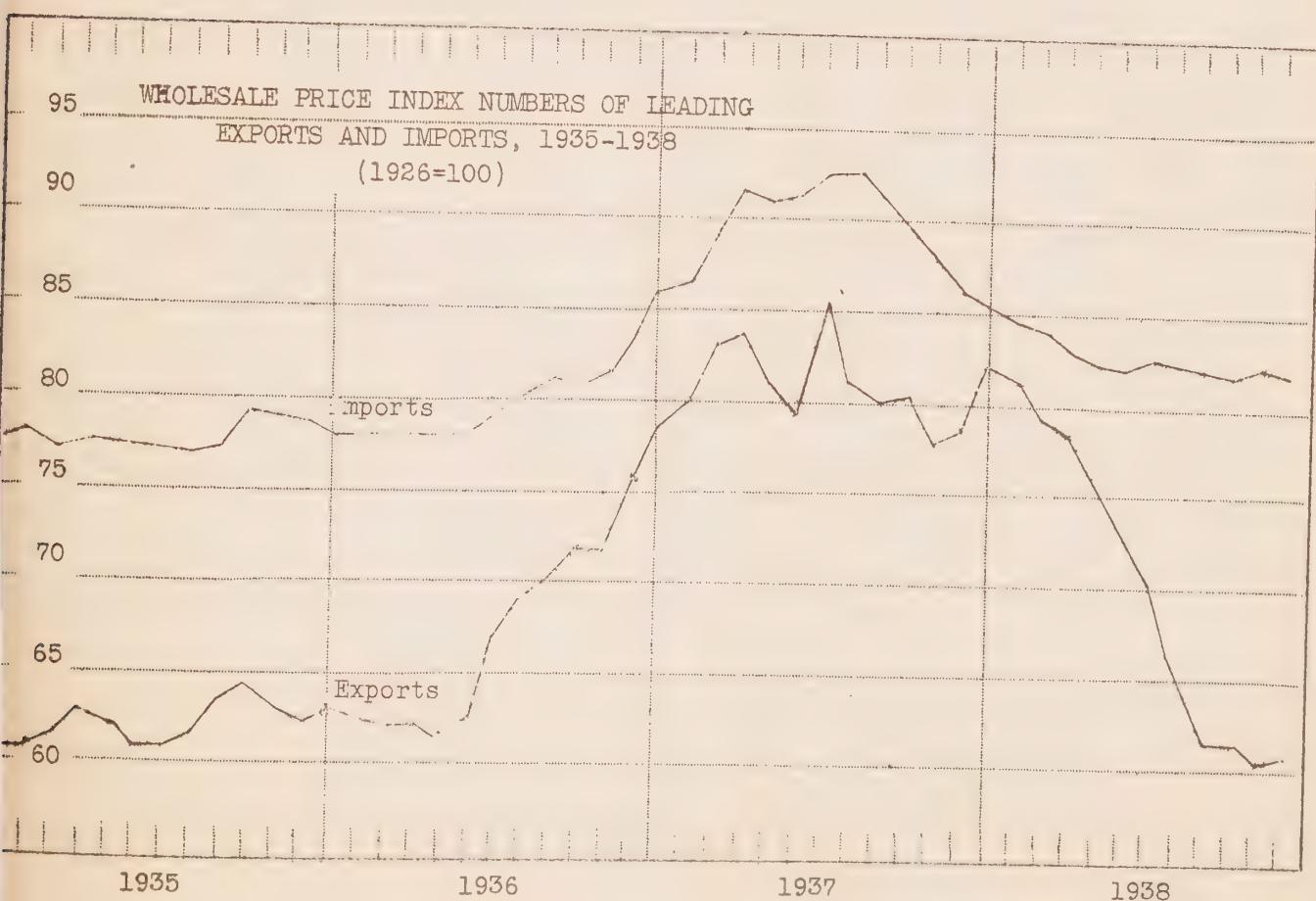
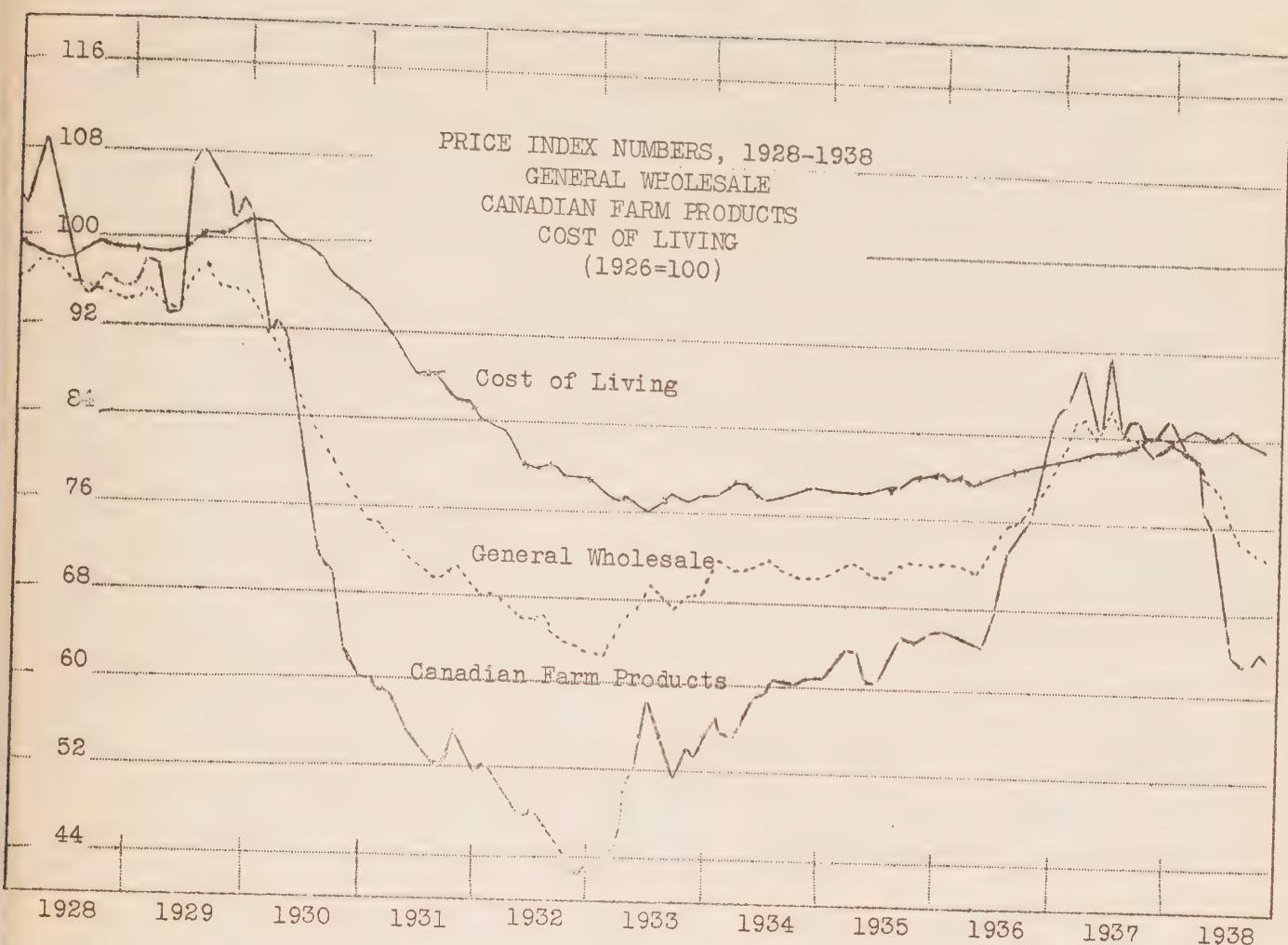
	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1st Week..	74.9	72.3	72.7	72.7	71.6	72.4	75.0	64.7	58.4	53.4	51.5	53.4
2nd Week..	73.8	71.7	71.6	73.0	71.9	71.4	72.5	62.9	55.8	53.7	51.6	55.0
3rd Week..	73.6	72.4	71.9	73.4	72.6	73.8	73.2	62.3	56.7	51.7	53.4	54.9
4th Week..	72.6	72.4	72.8	72.9	73.3	76.3	71.4	60.0	54.9	51.0	53.4	55.3
5th Week..	-	-	-	70.9	-	-	68.6	-	55.6	-	-	57.1

4. Twelve Stable Commodities

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>
1st Week..	96.1	94.5	94.4	93.8	92.7	90.6	90.0	88.5	89.3	90.0	89.1	88.5
2nd Week..	96.1	94.5	94.3	93.8	92.7	90.6	90.0	88.5	89.3	89.4	88.9	88.5
3rd Week..	94.7	94.4	93.8	92.9	90.6	90.0	88.5	89.7	90.0	89.0	88.5	88.3
4th Week..	94.4	94.4	93.8	92.7	90.6	90.0	88.5	89.3	90.0	89.0	88.5	88.1
5th Week..	-	-	-	92.7	-	-	88.5	-	90.0	-	-	88.1

WEEKLY INDEX NUMBERS OF INDUSTRIAL MATERIAL PRICES, 1938.
 $(1926=100)$





COST OF LIVING, 1938

The Canadian cost of living index number for December, 1938, was 1.1 per cent below the level of the corresponding month of 1937. This moderate recession in 1938 was the first break in an upward movement dating from 1933, and compared with a decrease in general wholesale prices of more than 11 per cent. The living cost index during 1938 was highest in August at 84.8 and lowest for December at 83.5. Easier prices for foods and declines of lesser importance in clothing and miscellaneous items, were responsible for the downturn. Rentals recorded a moderate advance while fuel prices in general were fractionally higher.

After having moved steadily upward over a period of five years, retail food prices reversed direction and registered a decline of 3.7 per cent in 1938. Wholesale food prices showed a recession of 6.5 per cent during the same interval. Paralleling the general cost of living index, retail foods were highest in August and lowest in December, their range of fluctuation being approximately 4.6 per cent. Lower quotations for beans, potatoes, lard, flour, coffee, salt, pepper, tapioca, rolled oats, prunes, canned vegetables and canned peaches were responsible for the decline in the index for 1938. Most meats recorded gains, as did also milk, cheese, eggs, tea and jam. While butter prices were on the whole higher, they exhibited a tendency to level off towards the close of the year. Bread prices averaged higher during the first eight months, but then reacted moderately to sharply reduced flour prices. Fuel prices commenced to stiffen in June, 1938, and for the first time since 1921 held above levels of the preceding year. Increased prices for coal and wood were the chief factors contributing to this result. A slight reduction in rentals for October marked the first reaction in this group since 1934. However, year-end comparisons indicated that rental levels were still more than one per cent higher than in 1937. After displaying irregular fluctuations throughout the year, clothing prices closed fractionally below the figure for December, 1937. Miscellaneous items were also slightly lower than in 1937.

The behaviour of the principal living cost constituents during the past six years may be observed from the following statement.

ANNUAL PERCENTAGE CHANGES IN YEAR-END LIVING COSTS, 1933 - 1938

Total Living Costs	Foods	Fuel and Lighting	Rent	Cloth- ing	Miscell- aneous	
1933	- 2.0	+ 4.1	- 2.0	-10.7	+ 0.1	- 1.5
1934	+ 1.2	+ 4.1	+ 1.3	- 0.1	+ 2.5	- 0.9
1935	+ 2.2	+ 6.3	- 1.5	+ 2.9	- 0.4	+ 0.1
1936	+ 1.7	+ 2.2	- 0.8	+ 2.8	+ 2.4	+ 1.0
1937	+ 3.1	+ 5.0	- 0.3	+ 4.8	+ 2.4	+ 1.0
1938	- 1.1	- 3.7	+ 0.2	+ 1.2	- 0.7	- 0.2

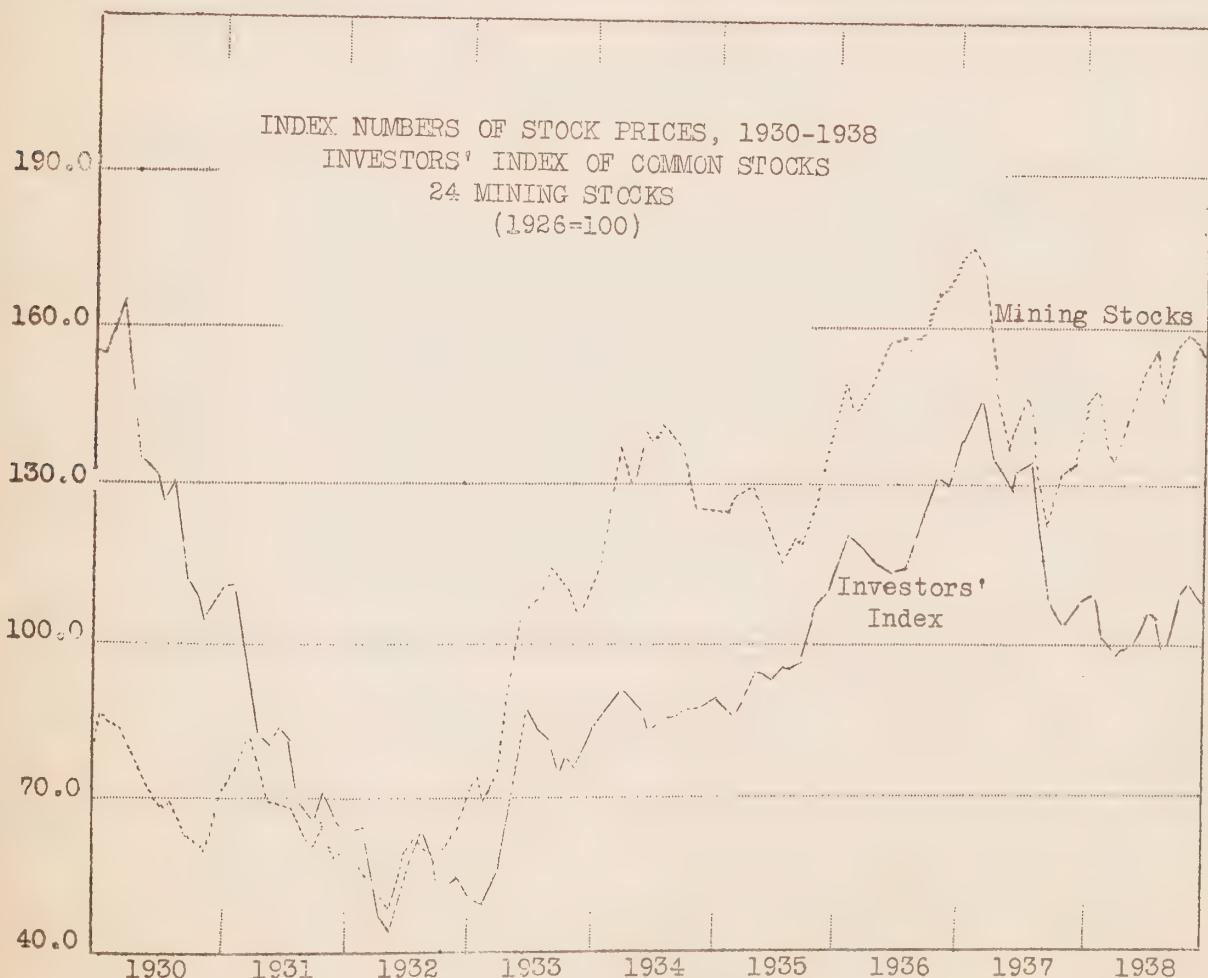
SECURITY PRICES

International events appeared to be the dominating force behind major security price movements in 1938 and, as successive crises were weathered, swift declines were followed by equally sharp rallies. There were two outstanding political crises in 1938 prior to the union of Germany and Austria on April 1, and the second during the Sudeten dispute in September. Except for these two periods Canadian stock exchange prices pursued a much steadier course than in 1937. The Bureau's general index of 95 common stocks entered 1938 on a rising tide, continuing the advance inaugurated in the third week of October, 1937. It was not until October of 1938, however, that the general index moved above corresponding 1937 levels. At the end of the year it was 6.5 per cent higher than the 1937 close.

Opening at 102.2 the daily index for 95 common stocks rose rapidly to a plateau between 106 and 110, where it remained for almost two and a half months. The first major decline then commenced, and by the end of March the index had been swept down to a 1938 low of 87.9. Following this period an irregular rally set in which reached its greatest momentum during the latter part of June and early July, carrying the index back close to 108 on July 19. This advance was terminated by increasing European tension which was not eased until the Munich Accord was signed on September 29. Indexes immediately rebounded from the low levels then ruling and the daily general index reached a 1938 high of 112.8 on November 12. This gain was not all held and at the year's close the index had receded to 108.7. Practically all gains during the year were confined to the industrial section, and special mention might be made of the rapidly advancing prices of shares included in machinery and equipment, building materials and industrial mines sub-group indexes. This was particularly noticeable during the latter half of the year and reflected to a considerable extent the impetus given by rearmament programmes. Food and beverage sub-groups registered a considerable net gain for the year, while the textile index showed the only recession in the industrial section.

Among the utilities the telephone and telegraph sub-group, influenced largely by Bell Telephone, was the only one to register an advance during 1938. Transportation and power groups showed weakness, the former recording a new low for the past 25 years.

Bank shares were not subjected to the same sharp price reactions as other issues, though the undertone for the first six months was noticeable easier as indicated by the daily index for this series, which moved down 2.2 points to 80.5 in the third week of June. The mid-year rally, previously mentioned, advanced the index about 5 points in July and it remained close to that level for the balance of the year, closing at 83.8, slightly higher than the corresponding figure at the end of 1937.



The course of mining stock price indexes was broadly similar to the pattern shown by industrials and utilities except that fluctuations in the former were much sharper above the December, 1937, close. Most of the increase came in the final quarter and was due almost entirely to the advance in base metal shares.

Gold shares during 1938 were unusually quiescent in comparison to previous years. An index for this sub-group reached a yearly high of 126.6 on February 1 while the low of 101.6 was recorded on March 18. There was a stronger rally through the spring and early summer, but with the reappearance of European tension, the gold index broke to a secondary low of 104.7 on September 26. A swift recovery moved it to 120 on September 30 and during the next three months the range of fluctuations did not exceed 3 per cent. Actual net appreciation between the close of 1937 and 1938 amounted to 4.5 per cent.

Base metal shares while subjected to the same relapses as the golds nevertheless recovered from each decline to reach successively higher levels until at the close of 1938, the base metal index was 48.3 per cent higher than at the close of 1937. The improving industrial situation combined with heavy rearmament orders had an especially stimulating effect on base metals.

PREFERRED STOCKS

Preferred share price fluctuations generally paralleled common stock price movements during 1938. In December, 1938, the preferred index stood at 86.9, which was 7.3 per cent higher than the corresponding level on December, 1937. A general index for 95 common stocks moved up 6.5 per cent during the same interval, indicating that the relative position between these two series had shown practically no net change during the past year. The preferred stock index touched a 1938 low of 77.5 in March while the highest level of 88.0 was attained in October. The range between the 1938 high and low points was much narrower than in the previous year, the actual amounts being 13.8 per cent and 27.3 per cent respectively.

BONDS

Dominion of Canada bonds were materially firmer in 1938, reflecting to a considerable extent the abundance of idle funds seeking safe investment. Oversubscription of practically all Dominion offerings of refunding and loan issues was indicative of the large quantities of available funds. During the opening months of the year Dominion bond prices rose steadily, the index for this series touching a peak of 118.2 in May. European international events overshadowed the domestic situation during the summer months and the index reacted to 116.0 in September. A strong rally, following the September crisis advanced the index to 117.7 in December where it showed a gain of 1.8 per cent over the 1937 close. Provincial bonds were featured by the erratic fluctuations of Western maturities. Sharp advances in Manitoba, Saskatchewan and Alberta issues during the early summer coincided with prospects of an exceptionally large grain crop. These gains were considerably reduced during the latter half of the year and at the close the relative position between Eastern and Western bonds was practically unchanged though both were somewhat firmer than in December, 1937.

FOREIGN EXCHANGE

Fluctuations in foreign exchanges were of unusual magnitude in 1938. Due to domestic unsettlement and other adverse factors, French francs were repeatedly under pressure. Following several political crises the franc was formally devalued on May 5 and a minimum rate of 179 francs to the £ sterling was established. This move resulted in considerable repatriation of French capital which placed a strain on other European currencies, notably the pound sterling. Pressure on sterling, however, did not assume serious proportions until July when the Sudeten situation became more critical. The pound was also affected by the increasingly unfavourable British trade balance at this time. It had been steady around \$5.00 during the first six months of the year, but subsequently dropped rapidly to a low of \$4.7995 on September 27. The signing of the Munich Accord was followed by some recovery and sterling rates ruled firmer for the next six weeks. Another relapse in November brought them to a 1938 low of \$4.6564 on the 26th, which resulted in official intervention by the British Equalization fund and a secondary rise in sterling rates to \$4.710. The flow of capital from London to New York during the autumn crisis was very heavy, averaging about 375 million dollars a month. Bar gold at London touched an all-time high of 150s. on November 26 coinciding with the low point in sterling quotations. At the height of the September crisis the United States dollar was quoted at a premium of 2 per cent in contrast to a small discount which ruled during the opening months of the year. This premium had been reduced to 1 per cent by the end of December. Mexican currency was one of the few units to show sharp depreciation during the early part of the year. The peso dropped approximately 5 cents to 22 cents in the final week of March following the announcement that the United States would cancel Mexican silver purchases on April 1. The unfavourable position of Chinese currency was reflected in the value of the Shanghai dollar, rates for which were cut practically in half between January and December. They dropped from 29.50 cents in January to 15.95 cents at the year end. Further devaluation of the Argentine peso was officially announced during the early part of November. The rate was lowered from 16 to 17 pesos to the £ sterling. The Belgian belga and Netherlands florin were comparatively the firmest European currencies in 1938. These units formerly moved in close alignment with sterling but took independent courses prior to the September crisis and maintained them thereafter.

CANADIAN WHOLESALE PRICE INDEX NUMBERS, 1913-1938
(1926=100.0)

	General Whole- sale Prices	Pro- ducers' Goods	Con- sumers' Goods	Building and Con- struction Materials	Raw and Partly Manufactured Materials	Fully and Chiefly Manufactured Materials	Canadian Farm Products
1913	64.0	67.7	62.0	67.0	63.8	64.8	64.1
1920	155.9	164.8	136.1	144.0	154.1	156.5	160.6
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	97.7	98.5	95.7	96.1	99.9	96.5	102.1
1928	96.4	96.7	95.6	97.4	97.4	95.0	100.7
1929	95.6	96.1	94.7	99.0	97.5	93.0	100.8
1930	86.6	82.5	89.3	90.8	82.2	87.3	82.3
1931	72.1	67.1	76.2	81.9	61.9	74.8	56.3
1932	66.7	62.4	71.3	77.2	55.0	69.8	48.4
1933	67.1	63.1	71.1	78.3	56.6	70.2	51.0
1934	71.6	67.8	74.1	82.5	63.5	73.4	59.0
1935	72.1	69.5	73.6	81.2	66.0	72.8	63.5
1936	74.6	72.4	74.7	85.3	70.8	73.6	69.4
1937	84.6	86.1	79.5	94.4	84.3	80.5	87.1
1938*							
January	83.8	84.5	78.7	91.6	82.0	81.6	86.3
February	83.6	83.7	79.1	91.4	81.1	82.0	85.1
March	83.1	82.5	79.0	91.0	79.7	82.0	83.0
April	82.3	81.9	78.5	89.9	79.0	81.3	82.5
May	80.3	78.9	77.7	89.4	75.8	79.4	77.3
June	80.1	78.5	77.8	88.9	75.3	79.2	76.6
July	78.6	76.1	77.8	89.2	72.5	78.4	71.5
August	76.0	71.9	76.5	90.1	67.5	77.0	64.2
September	74.5	69.0	76.1	89.7	65.6	75.6	63.8
October	74.1	68.6	75.3	89.8	65.1	74.8	63.8
November	73.5	68.0	74.8	89.3	64.6	74.0	64.9
December	73.3	68.4	76.0	89.1	64.9	73.6	64.6

CANADIAN LIVING COST INDEX NUMBERS, 1913-1938.
(1926=100.0)

	Total Cost of Living Index	Food Index	Fuel Index	Rent Index	Cloth- ing Index	Sun- dries Index	Retail Index of Foods, Fuel, Fuel, Clothing, Clothing, Household, House- hold Requirements	Retail Index of Fuels, Clothing, Clothing, Household, House- hold Requirements
1913	65.4	66.2	65.8	64.1	63.3	66.2	-	-
1920	124.2	141.1	102.6	86.5	153.2	104.0	-	-
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	98.4	98.1	97.9	98.8	97.5	99.1	97.9	97.9
1928	98.9	98.6	96.9	101.2	97.4	98.8	97.9	97.3
1929	99.9	101.0	96.4	103.3	96.9	99.0	98.9	96.9
1930	99.2	98.6	95.7	105.9	93.9	99.4	96.7	94.9
1931	89.6	77.3	94.2	103.0	82.2	97.4	82.5	87.3
1932	81.3	64.3	91.4	94.7	72.3	94.6	72.6	80.3
1933	77.5	63.7	87.7	85.1	67.1	92.6	70.1	76.2
1934	78.6	69.4	87.7	80.1	69.7	92.1	73.7	77.7
1935	79.1	70.4	86.8	81.3	69.9	92.2	74.1	77.5
1936	80.8	73.4	86.4	83.7	70.5	92.8	75.9	78.0
1937	83.1	77.3	84.9	86.9	72.7	93.4	78.6	79.8
1938*								
January	84.0	78.4	85.6	89.0	73.3	93.7	79.5	80.5
February	83.9	77.9	85.4	89.0	73.3	93.7	78.2	80.5
March	84.2	78.6	85.7	89.0	73.7	93.7	79.7	80.7
April	84.2	78.8	85.7	89.0	73.7	93.7	79.8	80.7
May	84.1	77.7	85.3	90.3	73.7	93.7	79.2	80.6
June	84.0	78.1	84.5	90.3	73.0	93.6	79.1	80.1
July	84.1	78.4	84.4	90.3	73.0	93.6	79.2	80.0
August	84.8	80.7	84.6	90.3	73.0	93.6	80.4	80.1
September	84.0	77.6	84.8	90.3	73.4	93.6	78.8	80.4
October	83.8	77.1	85.1	90.1	73.4	93.6	78.6	80.4
November	83.7	76.6	85.5	90.1	72.8	93.6	78.3	80.2
December	83.5	76.2	85.7	90.1	72.8	93.6	78.3	80.2

x Subject to revision.

Canadian Stocks and Bonds

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Canadian Stocks and Bonds

Canadian Stocks and Bonds										United States Common Stock Prices											
Industrial and Utility Common Stock Prices					Mining Stock Prices					Dominion Long-Term Bonds					Industrial Railroads						
Total	Indus- trial	Util- ities	Total	Gold	Base	Metals	Stock Prices	Yields	Prices	Total	Stock Prices	Yields	Prices	Total	Stock Prices	Yields	Prices	Total	Stock Prices	Yields	Prices
1931	64.8	74.3	59.3	59.0	59.0	-	63.0	-	111.7	95.5	57.7	54.3	33.0	95.6	113.2	1	110.7	110.7	110.7	110.7	
December	52.2	58.9	45.7	63.1	62.7	-	50.2	99.4	101.2	47.4	44.8	25.7	25.7	79.6	79.6	105.7	1	105.7	105.7	105.7	105.7
1932	75.3	111.4	47.8	105.1	100.4	127.1	60.2	95.1	103.6	70.4	78.8	40.3	40.3	67.3	67.3	100.7	1	100.7	100.7	100.7	100.7
1933	86.2	125.6	47.5	124.9	124.7	129.6	71.4	71.3	115.2	69.6	80.6	35.9	35.9	58.8	58.8	94.1	1	94.1	94.1	94.1	94.1
1934	107.4	178.2	50.1	133.6	116.9	201.7	73.8	75.5	112.5	95.3	109.2	41.4	41.4	91.6	91.6	136.7	1	136.7	136.7	136.7	136.7
1935	129.2	212.8	62.8	167.7	131.3	317.8	93.9	64.1	118.2	122.8	142.6	54.4	54.4	110.6	110.6	134.0	1	134.0	134.0	134.0	134.0
1936	137.4	222.0	68.5	174.6	137.5	329.6	99.2	64.6	117.7	126.0	146.3	55.6	55.6	113.2	113.2	151.7	1	151.7	151.7	151.7	151.7
1937	142.4	228.8	73.1	177.2	139.4	344.8	100.4	68.4	115.3	129.5	151.7	57.9	57.9	110.7	110.7	152.6	1	152.6	152.6	152.6	152.6
January	147.2	241.7	71.0	172.6	133.0	340.5	102.6	72.7	112.9	129.9	152.6	62.8	62.8	105.7	105.7	154.5	1	154.5	154.5	154.5	154.5
February	136.2	224.1	64.1	154.1	120.0	288.0	103.1	73.2	112.7	124.5	146.5	60.1	60.1	100.7	100.7	146.5	1	146.5	146.5	146.5	146.5
March	132.2	216.4	63.0	142.1	111.3	269.3	100.2	71.0	113.8	116.3	136.7	57.1	57.1	94.1	94.1	136.7	1	136.7	136.7	136.7	136.7
April	129.4	210.1	63.2	154.7	105.9	255.0	99.3	69.3	114.9	113.6	134.0	53.9	53.9	91.3	91.3	134.0	1	134.0	134.0	134.0	134.0
May	133.0	217.8	63.9	141.8	109.2	278.9	99.4	69.0	115.1	117.8	139.4	52.1	52.1	95.9	95.9	139.4	1	139.4	139.4	139.4	139.4
June	135.2	221.6	65.2	146.2	112.5	287.4	101.5	68.1	115.5	120.5	143.5	50.9	50.9	97.0	97.0	143.5	1	143.5	143.5	143.5	143.5
July	118.9	193.3	57.4	127.6	103.5	224.5	91.0	68.3	115.3	115.3	126.2	42.6	42.6	89.2	89.2	126.2	1	126.2	126.2	126.2	126.2
August	105.8	170.3	51.7	121.6	104.3	192.4	82.2	69.7	114.5	91.4	107.4	35.4	35.4	81.3	81.3	107.4	1	107.4	107.4	107.4	107.4
September	103.1	166.3	49.6	129.4	113.8	192.4	82.0	68.8	114.8	82.9	96.1	31.4	31.4	79.5	79.5	96.1	1	96.1	96.1	96.1	96.1
October	103.7	167.7	49.5	134.3	115.5	213.1	81.0	67.4	115.6	82.2	95.2	31.2	31.2	78.8	78.8	95.2	1	95.2	95.2	95.2	95.2
November	98.6	162.2	42.7	144.0	113.6	213.6	81.0	65.3	117.6	89.5	108.0	27.8	27.8	75.0	75.0	108.0	1	108.0	108.0	108.0	108.0
December	109.7	182.7	46.9	157.4	121.3	308.2	88.0	63.2	116.9	91.1	109.6	25.5	25.5	72.2	72.2	109.6	1	109.6	109.6	109.6	109.6
1938	110.4	184.9	46.2	159.6	121.1	319.3	87.5	61.5	117.8	94.7	113.6	28.8	28.8	80.9	80.9	113.6	1	113.6	113.6	113.6	113.6
January	107.7	177.7	48.4	144.1	121.0	241.7	83.4	66.3	116.1	81.6	95.7	29.0	29.0	75.7	75.7	95.7	1	95.7	95.7	95.7	95.7
February	107.1	164.0	43.1	134.9	111.4	224.9	82.1	65.4	116.6	80.7	95.7	28.3	28.3	71.2	71.2	95.7	1	95.7	95.7	95.7	95.7
March	99.2	160.5	43.7	133.9	110.5	225.3	77.5	64.7	116.8	77.9	92.7	25.5	25.5	68.5	68.5	92.7	1	92.7	92.7	92.7	92.7
April	97.9	163.5	44.5	139.5	114.1	229.5	78.2	63.7	117.3	70.7	84.2	20.9	20.9	64.0	64.0	84.2	1	84.2	84.2	84.2	84.2
May	99.7	100.0	163.5	45.1	145.8	229.5	80.1	61.7	118.2	73.9	87.4	21.8	21.8	69.5	69.5	87.4	1	87.4	87.4	87.4	87.4
June	106.9	175.1	48.6	151.1	119.8	229.5	81.8	61.8	118.1	73.1	86.4	20.5	20.5	69.2	69.2	86.4	1	86.4	86.4	86.4	86.4
July	105.2	172.8	47.1	156.0	123.8	282.1	87.2	62.7	117.6	73.1	88.0	27.3	27.3	76.5	76.5	105.3	1	105.3	105.3	105.3	105.3
August	105.4	172.8	47.1	156.0	123.8	289.2	86.8	62.7	117.6	73.1	88.0	27.3	27.3	76.5	76.5	105.3	1	105.3	105.3	105.3	105.3
September	98.6	162.2	42.7	144.0	113.6	269.8	81.3	65.3	116.0	86.0	103.9	25.5	25.5	72.2	72.2	103.9	1	103.9	103.9	103.9	103.9
October	109.7	182.7	46.9	157.4	121.3	308.2	88.0	63.2	116.9	91.1	109.6	28.1	28.1	77.4	77.4	109.6	1	109.6	109.6	109.6	109.6
November	110.4	184.9	46.2	159.6	121.1	319.3	87.5	61.5	117.8	94.7	113.6	30.0	30.0	80.9	80.9	113.6	1	113.6	113.6	113.6	113.6
December	106.8	179.4	44.0	159.0	121.6	313.0	86.9	61.8	117.7	92.0	117.7	28.8	28.8	77.9	77.9	117.7	1	117.7	117.7	117.7	117.7

NOTE: The noon rates in Canadian Funds upon which these averages are based have changed quotations at Montreal, 1938

LAUDANUM QUOTATIONS AT MONTREAL, 1938

New York have been supplied by the Bank of Canada.

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
INTERNAL TRADE BRANCH

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PRICE MOVEMENTS, CANADA, 1940.

SUMMARY OF COMMODITY PRICES

Wholesale and retail prices moved gradually higher during 1940 in continuance of an advance dating from the outbreak of war. The 1940 increase of 4.0 p.c. in the cost of living index was slightly in excess of the wholesale price index increase of 3.1 p.c. However, from August 1939 to December 1940, the general wholesale price index rose 16.5 p.c. as compared with 7.1 p.c. for the cost of living index.

WHOLESALE PRICES (1926=100)

After a mild reaction in the summer months of 1940, wholesale price levels again turned upward, but the net advance of 3.1 p.c. during the year was much less than the increase registered in the last four months of 1939. During the first quarter of 1940 the composite index for 567 commodity prices moved up to a peak of 83.2 in March from 81.7 in December, 1939. In the ensuing three months a general price recession lowered the index to 81.6 for June, which proved to be the turning point for the year. Summer price declines coincided with the German invasion of the Lowlands and culminated with the collapse of France late in June. Among price quotations showing the most serious losses at this time were grains, and on May 18th the Canadian Wheat Board established minimum quotations for wheat futures.

A second advance in prices commenced in July, reflecting an upturn in basic commodities, new taxation of imports for non-war purposes, and an acceleration of national defense activity. During its spring session the Dominion Government placed a 10 p.c. tax on all import items from non-Empire countries except those for war purposes, while at the same time a processing tax of 15¢ per bushel was placed on wheat milled for domestic consumption. In addition an 11 p.c. exchange premium had obtained on all import settlements in terms of New York funds or related currencies since September 1939.

Among the various component material groups, increases for 1940 ranged between 3.1 p.c. for fibres, textiles and textile products and 7.3 p.c. for wood, wood products and paper. Only vegetable products showed a net loss for the year, amounting to 1.7 p.c. Price increases in the second half of 1940 were more important among fully and chiefly manufactured articles than for basic commodities. From June to December 1940, the rise in fully and chiefly manufactured articles was 3.9 p.c. compared with a 3.0 p.c. increase in raw and partly manufactured goods.

CANADIAN FARM PRODUCTS (1926=100)

Erratic fluctuations featured Canadian Farm Product wholesale prices during 1940. A rise dating from the declaration of war continued until April when the Farm Product index was 72.1, as compared with 69.0 in December 1939 and 58.4 in August 1939. From this point, however, a sharp decline carried the index back to 62.7 in August. Practically the whole of this drop occurred in the field products section, due to the rapid decline in the grain price index from a peak of 65.1 in April to 50.2 in August. Later a sharp decrease in the potato index from a seasonal peak of 84.5 in July to 43.1 in October, contributed to further weakness in this section. Prices for animal products as a group during 1940 were comparatively steady, though sharp seasonal advances for hides and skins and egg prices in the latter half of the year contributed to a firm close. The December index for Animal Products was 91.6 as compared with 85.4 in January and a low of 83.3 in August. As the year ended, the average level of Canadian Farm Product wholesale prices stood at 67.1 p.c. of the 1926 base average, or 2.8 p.c. below the final 1939 figure.

IMPORTS AND EXPORTS (1926=100)

While net increases were noted for both import and export wholesale price indexes over closing 1939 levels, the relative margin of imports over exports continued to widen. At the end of 1939 the import index was 32.4 p.c. above the export index; this margin rose to 36.8 p.c. in June 1940 and narrowed only fractionally during the second half of the year to 36.1 p.c.

For December 1940, the import index of 98.0 was 3.5 p.c. above its January level. Among imports showing the sharpest percentage increases were raw rubber, fresh fruits, tobacco, rice and chicle in the vegetable products group, along with electrolytic copper wire, coal, glass, petroleum products and artificial fertilizers. Small declines were noted for raw silk and a few lesser items.

Among exports, price movements were more diverse. While the composite index recorded a net annual increase of 0.7 p.c., several sub-group indexes were lower. Notable among these were vegetable products, with sharp losses occurring for grains, milled products and potatoes. Animal products, fibres, textiles and textile products, wood, wood products and paper and iron and its products were all considerably higher, while minor increases were recorded for non-ferrous metals and non-metallic minerals. Chemicals were unchanged.

WHOLESALE PRICE INDEX NUMBERS MARKING PEAKS AND DEPRESSIONS SINCE 1913.
(1926=100)

	1913	1920	1922	1929	1932	1937	Dec. 1940
General Wholesale Index	64.0	155.9	97.3	95.6	66.7	84.6	84.2
Raw and Partly Manufactured Goods...	63.8	154.1	94.7	97.5	55.0	84.3	76.2
Fully and Chiefly Manufactured Goods	64.8	156.5	100.4	93.0	69.8	80.5	83.2
Producers' Goods	67.7	164.3	98.8	96.1	62.4	86.1	79.3
Consumer Goods	62.0	136.1	96.9	94.7	71.3	79.5	85.2
Canadian Farm Products	64.1	160.6	88.0	100.8	48.4	87.1	67.1
Imports	73.0	158.8	100.4	94.2	70.5	89.8	98.0
Exports	64.7	158.1	94.7	92.2	54.9	81.1	72.0

COST OF LIVING (1935-1939=100)

According to the Bureau's new cost of living index on the base 1935-1939=100, living costs advanced 4.0 p.c. during 1940. The index of 108.0 for December 1940 compared with 103.8 and 100.8 for December and August 1939, respectively. While all constituent groups contributed to the 1940 increase, the greatest advance was noted for the clothing group which rose 9.9 p.c. to an index level of 113.5; home furnishings mounted 6.3 p.c. to 110.7. Since August 1939 indexes for these two series have advanced 13.4 p.c. and 9.7 p.c. respectively. The retail food price index rose 4.2 p.c. in 1940, compared with a 9.9 p.c. increase since August 1939, while residential rentals advanced 3.2 p.c. and 3.8 p.c. in these same intervals. The December 1940 fuel and lighting index was 9.6 p.c. above the August 1939 level, of which 2.9 p.c. was added in 1940. Showing the smallest net advance, by December 1940 an index of miscellaneous items had moved up only 1.5 p.c. over pre-war levels, with about one-half of this amount added since December 1939.

SECURITY PRICES (1926=100)

Movements in security prices, with the exception of long-term bonds, closely reflected Allied war fortunes of the year. During the first six months of 1940 industrial and utility common stocks showed substantial declines, more especially during May and June. On June 26 an average of industrial and utility stocks was 32.3 p.c. lower than the 1939 closing level, and approximated averages in the early months of 1933. Industrial stocks showed much the greatest drop between January and June, an index for this group falling 36.2 p.c. to 105.6 on June 26, while a similar utility series declined 24.5 p.c. to 34.4, and an index for 8 banks, 14.8 p.c. to 71.9. Subsequent recovery was gradual and failed to extend beyond the early part of September. Thereafter market averages fluctuated narrowly until the end of the year. The December 31 index of common stocks at 77.5 showed an increase of some 13.1 p.c. from mid-year lows, but indicated a net decline of approximately 23.4 p.c. when compared with the final 1939 index of 101.2. Among group indexes, declines for the year were led by a 38.9 p.c. drop in pulp and paper, while the smallest decrease of 1.1 p.c. was registered by beverage stocks.

In the mining section the pattern of stock price movements over the year was broadly similar to industrials and utilities. At the end of 1939 an index of 25 representative mining issues stood at 145.6, but from this level it declined almost steadily to a 1940 low of 86.2 for a loss of 40.8 p.c. in the final week of June. Base metal issues showed a slightly sharper drop of 42.9 p.c. during this period, while golds were down 39.4 p.c. In the ensuing six months mining issues showed a much stronger recovery than did industrial and utilities. As the year closed the average index of mining stocks at 115.2 indicated a recovery of about one-half of earlier losses as compared with one-quarter for industrials and utilities.

In the domestic market Dominion of Canada long-term bond prices showed continued strength despite absorption by public subscription of two war loans totalling half a billion dollars. For December 1940 the Bureau's price index of two representative Dominion long-term bonds was 117.1 or 4.3 p.c. above the corresponding 1939 figure. A comparable index for yields dropped from 75.5 to 69.3 in the same interval. Provincial financing in 1940 also assumed substantial proportions and prices in this section generally were well maintained when compared with levels of the preceding year.

Preferred stock price movements closely paralleled those of industrial and utilities. From 91.3 in December 1939, an index for 25 representative preferred stocks dropped to a 1940 low of 72.1 in June, a level unequalled since October 1935. From this point the index moved generally upward to reach 84.3 in December; it recorded a net loss of 7.7 p.c. during 1940, or about one-third that noted for industrials and utilities.

FOREIGN EXCHANGE (Quotations are Montreal noon rates unless otherwise specified)

In terms of the Canadian dollar, both sterling and United States funds held unchanged throughout 1940 at buying and selling rates of \$4.43-\$4.47 and \$1.10-\$1.11 respectively. These rates which were set by the Canadian Foreign Exchange Control Board have been maintained since the middle of September, 1939. At New York there were sharp fluctuations for both sterling free market rates and the Canadian dollar. Following comparative steadiness at approximately \$3.95 during January and February, sterling free market rates dropped sharply in the ensuing two and one-half months to a 1940 low of \$3.16 on May 10. Weakness in Canadian dollar rates during this same period lowered quotations from a final 1939 figure of 88 5/8¢ to 78¢ on the 21st of May. Subsequently both rates stiffened gradually from these levels until by the close of the year sterling was quoted at \$4.04 and Canadian funds at 86 1/8¢. Movements of these units have been of little significance in the latter half of 1940 due to their restricted use.

At Montreal there was a sharp drop during the year in the number of units quoted. First to disappear from trading lists were the Danish and Norwegian kroner, for which no rates have been quoted since April 8th. On May 9th, rates for the Belgian belga and Netherlands florin were discontinued, while in the first half of June the French franc and Italian lira were dropped from quotation lists.

Among Latin-American currencies, most rates were steady to higher in terms of the Canadian dollar. Many of these countries, however, suffered a serious shortage of foreign exchange owing to loss of European export markets. To ease conditions caused by this loss, substantial loans were granted by the United States Export-Import bank. Rates for the Argentine free peso, following mid-summer weakness stiffened to close the year more than one cent higher at 26.14¢, while unofficial rates for the Brazilian milreis eased fractionally from 5.61¢ at the end of 1939 to 5.57¢ on December 31, 1940.

Far eastern currencies, except for Chinese units, were steady throughout 1940. The Japanese yen which was linked to the United States dollar late in 1939, indicated no net change during the year, quotations remaining at 26.02¢. Over the same period the Indian rupee showed little change, the closing rate of 33.59¢ for 1940 comparing with 33.63¢ at the end of 1939. Both the Shanghai dollar and Hong Kong dollar showed substantial losses. The former closed at 6.01¢ for a net decline of more than 2 2/5¢ while the latter unit eased slightly more than a cent to 26.22¢. However, both of these units showed considerable increases over mid-year lows, supported by loans from both Great Britain and the United States.

CANADIAN WHOLESALE PRICE INDEX NUMBERS, 1913-1940
(1926=100.0)

	General Wholesale Prices	Producers' Goods	Consumers' Goods	Building and Construction Materials	Raw and Partly Manufactured Materials	Fully and Chiefly Manufactured Materials	Canadian Farm Products
1913	64.0	67.7	62.0	67.0	63.8	64.8	64.1
1920	155.9	164.8	136.1	144.0	154.1	156.5	160.6
1926	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1927	97.7	98.5	95.7	96.1	99.9	96.5	102.1
1928	96.4	96.7	95.6	97.4	97.4	95.0	100.7
1929	95.6	96.1	94.7	99.0	97.5	93.0	100.8
1930	86.6	82.5	89.3	90.8	82.2	87.3	82.3
1931	72.1	67.1	76.2	81.9	61.9	74.8	56.3
1932	66.7	62.4	71.3	77.2	55.0	69.8	48.4
1933	67.1	63.1	71.1	78.3	56.6	70.2	51.0
1934	71.6	67.8	74.1	82.5	63.5	73.4	59.0
1935	72.1	69.5	73.6	81.2	66.0	72.8	63.5
1936	74.6	72.4	74.7	85.3	70.8	73.6	69.4
1937	84.6	86.1	79.5	94.4	84.3	80.5	87.1
1938	78.6	75.8	77.2	89.1	72.7	78.2	73.6
1939	75.4	70.4	75.9	89.7	67.4	75.3	64.3
1940							
January	82.6	79.0	82.3	94.0	75.3	81.7	70.0
February	82.8	79.1	82.7	94.0	75.9	81.8	70.3
March	83.2	80.0	83.0	94.7	76.4	82.0	71.3
April	83.1	80.4	82.4	95.1	76.8	81.7	72.1
May	82.1	78.9	82.0	95.3	75.3	80.6	68.0
June	81.6	77.3	82.3	95.2	74.0	80.1	64.3
July	82.4	77.6	83.4	96.0	74.7	80.6	64.6
August	82.7	78.0	83.7	97.4	73.9	81.6	62.7
September	83.1	78.3	84.1	97.9	74.3	81.8	63.8
October	83.3	78.3	84.2	98.2	74.8	82.0	64.6
November	84.0	78.9	84.9	98.5	76.2	82.7	66.9
December	84.2	79.3	85.2	98.3	76.2	83.2	67.1

CANADIAN LIVING COST INDEX NUMBERS, 1913-1940
(1935-39=100)

	Total Index	Food Index	Rent Index	Fuel and Lighting Index	Clothing Index	Home Furnishings and Miscellaneous Index
1913	79.7	88.3	74.3	76.9	88.0	70.3
1920	150.5	188.1	100.2	119.9	213.1	110.3
1926	121.8	133.3	115.9	116.8	139.1	106.1
1927	119.9	130.8	114.5	114.4	135.6	105.1
1928	120.5	131.5	117.3	113.2	135.5	104.8
1929	121.7	134.7	119.7	112.6	134.8	105.0
1930	120.8	131.5	122.7	111.8	130.6	105.4
1931	109.1	103.1	119.4	110.0	114.3	103.3
1932	99.0	85.7	109.7	106.8	100.6	100.4
1933	94.4	84.9	98.6	102.5	93.3	98.2
1934	95.7	92.5	92.8	102.5	96.9	97.7
					Home Furnishings Index	Miscellaneous Index
1935	96.2	94.6	94.0	100.9	97.6	95.4
1936	98.1	97.8	96.1	101.5	99.3	97.2
1937	101.2	103.2	99.7	98.9	101.4	101.5
1938	102.2	103.8	103.1	97.7	100.9	102.4
1939	101.5	100.6	103.8	101.2	100.7	101.4
1940						
January	103.8	104.5	104.4	105.5	103.3	104.3
February	103.8	104.5	104.4	105.8	103.3	104.3
March	104.6	104.8	104.4	105.7	107.8	105.9
April	104.6	104.8	104.4	105.9	107.8	106.1
May	104.9	104.4	106.9	106.1	107.8	106.2
June	104.9	103.8	106.9	106.0	109.1	106.5
July	105.6	105.3	106.9	107.9	109.1	106.9
August	105.9	105.4	106.9	108.4	109.1	106.9
September	106.4	105.4	106.9	108.5	112.4	108.9
October	107.0	106.1	107.7	108.0	113.5	109.7
November	107.8	108.7	107.7	108.5	113.5	110.0
December	108.0	109.1	107.7	108.5	113.5	110.7

Canadian Stocks, Bonds and Foreign Exchange Quotations

Noon Rates at Montreal^x

Industrial and Utility Common Stock Prices				Mining Stock Prices				Dominion Long-Term Bonds				Preferred Stock Prices				Argentine Peso (free rate)	
Total	Utilities	Total	Golds	Base Metals				Prices	Yields	Sterling	U.S. Dollar	Swiss Franc	Hong Kong Dollar	Japanese Yen			
1932 - December	52.2	58.9	45.7	63.1	62.7	-	50.2	101.9	100.6	3.7866	1.1544	2226	2495	2423	2982		
1933 - December	75.3	111.4	47.8	105.1	100.4	127.1	60.2	104.3	96.0	5.0957	.9954	3022	3729	3083	2874		
1934 - December	86.2	125.6	47.5	124.9	124.7	129.6	71.4	116.3	74.6	4.8865	.9878	3202	4189	2855	2483		
1935 - December	107.4	178.2	50.1	133.6	116.9	201.7	73.8	113.1	78.5	4.9755	1.0093	3240	3273	2902	2749		
1936 - December	129.2	212.8	62.8	167.7	131.3	317.8	93.9	119.1	67.2	4.9042	.9993	2297	3047	2850	2975		
1937 - December	103.7	167.7	49.5	134.3	115.5	213.1	81.0	115.8	72.0	4.9985	1.0004	2313	3121	2910	2930		
1938 - December	106.8	179.4	44.0	159.0	121.6	313.0	86.9	118.7	67.7	4.7133	1.0092	2283	2945	2297	2297		
1939																	
January	102.9	171.4	42.7	158.0	121.4	307.0	85.0	118.6	67.4	4.7060	1.0079	2276	2923	2742	2311		
February	104.1	174.0	42.9	158.8	121.1	315.1	84.4	118.8	67.5	4.7086	1.0049	2279	2934	2744	2311		
March	103.7	171.4	44.4	155.0	118.2	305.6	83.9	119.6	66.3	4.7044	1.0041	2271	2917	2742	2316		
April	96.2	157.7	41.9	143.7	110.1	282.6	78.9	118.8	67.5	4.7038	1.0050	2254	2881	2742	2323		
May	99.2	163.0	43.2	151.4	114.6	303.3	79.0	118.1	68.4	4.6981	1.0036	2256	2899	2738	2323		
June	97.0	157.6	43.7	153.9	116.5	308.6	81.9	119.1	67.0	4.6923	1.0021	2259	2899	2734	2326		
July	97.3	159.2	42.7	155.8	117.7	314.7	83.0	119.2	66.8	4.6885	1.0015	2258	2876	2733	2320		
August	94.2	154.2	40.9	151.4	112.8	310.3	81.0	118.1	68.1	4.6327	1.0047	2268	2881	2703	2321		
September	100.1	168.2	42.2	137.7	99.6	298.3	83.3	109.6	78.3	4.4090+	1.0948+	2478	2735	2575	2566		
October	106.0	177.0	45.7	144.7	106.6	299.6	89.0	111.3	76.5	4.4500+	1.1050+	2491	2783	2612	2604		
November	103.6	171.9	44.7	144.7	106.3	304.1	106.1	113.5	74.0	4.4500+	1.1050+	2490	2723	2603	2574		
December	101.2	165.3	45.7	142.4	105.0	298.0	91.3	112.7	75.1	4.4500+	1.1050+	2490	2716	2602	2527		
1940																	
January	99.7	162.1	45.7	144.7	107.3	298.8	91.8	113.2	74.4	4.4500+	1.1050+	2489	2736	2602	2515		
February	99.0	161.1	45.3	137.9	101.8	288.1	91.0	114.0	73.4	4.4500+	1.1050+	2489	2730	2602	2573		
March	99.1	159.2	47.1	132.6	96.5	281.8	90.2	114.0	73.4	4.4500+	1.1050+	2489	2598	2588	2598		
April	97.0	154.8	47.1	130.7	95.7	276.7	90.3	114.9	72.4	4.4500+	1.1050+	2489	2425	2602	2550		
May	80.4	125.8	39.4	106.8	79.6	221.1	80.1	115.4	71.8	4.4500+	1.1050+	2471	2256	2602	2514		
June	71.9	111.3	35.8	90.9	67.9	186.6	72.1	114.4	71.0	4.4500+	1.1050+	2471	2487	2601	2438		
July	72.5	113.9	35.5	92.9	69.6	187.7	73.8	114.6	72.8	4.4500+	1.1050+	2491	2518	2620	2403		
August	76.0	119.6	37.1	101.8	76.0	209.0	77.0	115.2	72.0	4.4500+	1.1050+	2526	2505	2601	2492		
September	83.2	132.9	39.3	111.1	83.4	227.3	82.2	115.7	71.3	4.4500+	1.1050+	2528	2515	2601	2575		
October	81.4	129.6	38.8	113.6	85.8	228.0	83.5	115.9	71.0	4.4500+	1.1050+	2569	2566	2602	2604		
November	81.7	129.6	39.4	118.2	89.8	236.0	85.4	116.3	70.5	4.4500+	1.1050+	2575	2602	2602	2614		
December	77.1	119.8	38.5	115.0	88.2	224.8	84.3	116.8	69.8	4.4500+	1.1050+	2575	2619	2602	2614		

^x Bank of Montreal, 1932-34, Bank of Canada, 1935-40. *Since September 16, 1939, quotations used are the average of the daily buying and selling rates set by the Canadian Foreign Exchange Control Board. The current buying and selling rates for sterling are \$4.43 and \$4.47 and for U.S. funds \$1.10 and \$1.11.

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CANADA
DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
PRICES BRANCH

PRICE (MOVEMENTS)
(AUGUST 1939 - DECEMBER 1943)

Wholesale Prices
Retail Prices
Security Prices

Published by Authority of the Hon. James A. MacKinnon, M.P.,
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PRICES BRANCH

Dominion Statistician:
Chief, Prices Branch:

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WARTIME REVIEW OF WHOLESALE PRICE MOVEMENTS
(1926=100)

By the outbreak of war in 1939, wholesale price levels had lost almost two-thirds of gains recorded between 1933 and 1937. The August, 1939 general wholesale index of 72.3 compared with a July, 1937 high of 87.6 and a February, 1933 low of 63.5. It was not surprising, therefore, that commodity markets should react strongly to the initial stimulus of war. Led by sharp advances in vegetable and animal products, the general wholesale price index jumped more than 8 p.c. to 78.4 in September, 1939. This rise continued at a slower rate until the invasion of Belgium and Holland in the spring of 1940, and was followed by a minor reaction which continued until the fall of France in June. The trend from that time to the end of 1943 was steadily upward, first at a gradual rate until the spring of 1941, then more rapidly until the imposition of the price ceiling in December of that year. Since then the rise again has been gradual and without indication of appreciable acceleration. Not until July, 1943 was the 1926 average of 100.0 exceeded. By December, 1943, the wartime rise had amounted to 41.8 p.c., of which 11.9 p.c. was accumulated in the two years after the price ceiling was established.

Before passing on to examine the contribution of different commodity groups to movements of the wholesale price level, a word of explanation should be given concerning the prices used in calculating the general wholesale index. These prices continue to be market quotations without regard to bonus or subsidy payments. In the case of items for export markets, many of which have diverged widely from domestic markets, export prices are used; wood product exports provide an example of such items. Prices used in the farm products indexes calculated separately from the general wholesale indexes are treated differently, because the return to farmers is considered to be the fundamental consideration in this series. Bonus and subsidy payments, therefore, are added to market prices in calculating wholesale price index numbers of farm products.

General Wholesale Index Groups

Vegetable Products: The increase in the vegetable products group between August, 1939 and December, 1943 amounted to 61.7 p.c., bringing the index to a level of 94.9. The over-all increase of 130.2 p.c. in grains which were abnormally depressed in August, 1939 contributed in a large measure to this rise. However, there were also substantial gains for vegetable oils, up to 128.8 p.c.; potatoes 79.1 p.c., fresh fruits 59.0 p.c.; tea, coffee, cocoa and spices 55.4 p.c.; miscellaneous vegetables 62.2 p.c.; flour and other milled products 39.1 p.c.; sugar and its products 39.3 p.c. and rubber and its products 25.5 p.c.

In 1943 vegetable products advanced 10.3 p.c., still led by the grains index which advanced 33.7 p.c. Removal of the ceiling price on rye early in 1943 was followed by a substantial market advance, but an authorized increase of 35¢ per bushel to \$1.25 for No. 1 Manitoba Northern wheat, Fort William and Port Arthur basis, for the 1943-44 crop year was the most important factor. The vegetable product index was also affected by a rise of 25¢ per bushel to \$2.50 for No. I C.W. flax, Fort William and Port Arthur basis, by a 14.8 p.c. advance in raw tobacco, and a 10.1 p.c. increase for potatoes. Fresh imported fruits, down 12.3 p.c. recorded the only substantial decline.

Animal Products: Wartime gains (August 1939-December 1943) of 141.5 p.c. for furs; 103.8 p.c. for fishery products; 94.0 p.c. for oils and fats; 92.6 p.c. for eggs; 83.7 p.c. for livestock; 51.8 p.c. for meats and poultry and 45.5 p.c. for milk and its products were largely responsible for an increase of 57.2 p.c. to 109.6 in December 1943 for the animal products index.

The 1943 increase in animal products amounted to 4.4 p.c. Fur prices, upon which there is no ceiling, showed a rise of 82.5 p.c. between December, 1942 and December, 1943, while fishery products advanced 18.4 p.c., livestock 6.3 p.c. and

eggs 3.0 p.c. Milk and its products and oils and fats declined slightly.

Fibre, Textiles and Textile Products: The August, 1939-December, 1943 gain of 29.2 p.c. for fiber, textiles and textile products reflected increases of 97.9 p.c. for flax, hemp and jute products; 75.7 p.c. for raw wool; 52.7 p.c. for wool cloth; 55.4 p.c. for wool yarns and 27.6 p.c. for carpets. A substantial "roll-back" in certain fabric prices in 1942 to February, 1941 levels limited the wartime rise in these goods to 19.9 p.c.

The December, 1942-December, 1943 index comparison for textile products showed no change, the index holding at 91.9 throughout the year.

Wood, Wood Products and Paper: The wartime gain in wood, wood products and paper amounted to 17.7 p.c., and moved the index to a December, 1943 level of 115.8. Wood-pulp prices with a gain of 70.5 p.c. recorded the sharpest sub-group increase, closely followed by an advance of 64.0 p.c. for lumber. Furniture moved 31.2 p.c. higher, while newsprint and wrapping paper rose 26.8 p.c. Representation of export prices in the wood products indexes influenced the extent of the rise in the wood products group; lumber export markets have risen more rapidly than the controlled domestic market.

Between December, 1942 and December, 1943, the group gain amounted to 12.3 p.c. with further substantial increases in lumber and newsprint and wrapping paper accounting for the advance. The lumber index rose 15.7 p.c., while newsprint advanced 16.5 p.c.

Iron and Its Products: Increases of 51.7 p.c. in iron and steel scrap and 41.3 p.c. in steel pipe contributed to the wartime gain of 19.5 p.c. for iron and its products. Rolling mill products were 17.8 p.c. higher, while pig iron and steel billets mounted 16.2 p.c.

A minor increase in freight rates for steel sheets moved iron and its products 0.1 p.c. higher in 1943 to an index of 116.0.

Non-Ferrous Metals and Their Products: The wartime rise in non-ferrous metals was only 14.0 p.c. The marked stability displayed by this group reflected the establishment of long-term contracts with the United Kingdom for the more important non-ferrous metals. These contracts were based on prices close to pre-war levels.

The non-ferrous metal price index remained unchanged at 79.7 through 1943.

Non-Metallic Minerals and Their Products: Non-metallic minerals recorded a wartime increase of 21.8 p.c. to 102.4 in December, 1943. Outstanding sub-group gains were recorded by crushed stone 41.2 p.c. higher; glass and its products up 40.9 p.c.; pottery and dinnerware 31.2 p.c.; coal 31.0 p.c. and petroleum products 21.7 p.c. Asbestos and its products registered a 4.9 p.c. decline.

The December, 1942-December, 1943 rise for non-metallicals, amounting to 2.9 p.c. was largely accounted for by increases of 6.9 p.c. for coal; 5.9 p.c. for sand and gravel, and 1.1 p.c. for clay and allied material products.

Chemicals and Allied Products: Increases of 128.1 p.c. for drugs and pharmaceuticals, 44.5 p.c. for paint materials, 32.2 p.c. for dyeing and tanning materials, 22.2 p.c. for organic chemicals and 20.6 p.c. for prepared paints were reflected in a gain of 29.1 p.c. for chemicals and allied products between August, 1939 and December, 1943.

For 1943 a minor decline amounting to 0.7 p.c. occurred. Lower sub-group indexes for soap, down 7.0 p.c., drugs and pharmaceuticals 3.0 p.c. and paint materials 1.8 p.c. more than counterbalanced small increases of 2.6 p.c. for industrial gases, 0.8 p.c. for dyeing and tanning materials and 0.4 p.c. for inorganic chemicals.

Canadian Farm Products

The final 1943 figure of 104.6 for the composite index of farm products showed a wartime increase of 79.1 p.c. The outbreak of war found the level of farm product prices almost 42 p.c. below the 1926 average, with the field products index at 48.2, and the animal products index at 75.4. A sharp initial price advance for

livestock and grains in the first war months, moved the animal products index to 86.8 in November, 1939, and field products to 64.9 in April of 1940. In the ensuing months, adverse fortunes of war were reflected in a sharp reversal of trend, and lows of 50.4 for field products and 83.3 for animal products were reached in August, 1940. From the fall of 1940 until the end of 1943, the movement in the farm product wholesale price index was almost steadily upward, and at a slightly accelerating rate. By October, 1943, the composite index for Canadian farm product prices had moved above the 1926 average for the first time since January, 1910. October, 1943 also witnessed the first time since 1937 that farm product prices have been at a point higher than that recorded for the general level of wholesale prices. The December, 1943 field product index of 91.7 was still below its 1926 level (100.0), but the animal products index of 126.1 was well above the 1926 average.

The wholesale price index of Canadian farm product prices recorded a 1943 advance of 20.1 p.c., due principally to upward changes for wheat prices and to an increase in the producer bonus on fluid milk. Field products advanced 32.9 p.c. during the year while animal products registered an increase of 7.5 p.c.

Origin Classification: The raw and partly manufactured products index was 13.5 p.c. below that for fully and chiefly manufactured articles at the outbreak of war (62.8 and 72.6). Up to December, 1941, the raw and partly manufactured series recorded a gain of 36.0 p.c. and the manufactured group 28.2 p.c., thereby narrowing the spread between the series to 8.3 p.c. Following establishment of maximum price ceiling regulations, the subsequent increase in fully and chiefly manufactured articles was only 0.8 p.c. in the next two years. On the other hand raw and partly manufactured products advanced 22.0 p.c. over the same period. This increase reversed the relationship of the two series until by December, 1943, the level of raw and partly manufactured goods was 11.1 p.c. above fully and chiefly manufactured goods (104.2 and 93.8).

Between December, 1942 and December, 1943 raw and partly manufactured goods recorded a gain of 12.3 p.c. due largely to sharp increases in certain grains, notably wheat and rye, coupled with substantial advances in some primary product items not under the ceiling, e.g., raw furs. Fully and chiefly manufactured products, registered very little change during the year, the net gain amounting to 1.3 p.c.

The normal relationship between raw and fully manufactured goods prices has changed considerably since the price ceiling was established. Market prices for the latter have been held substantially unchanged by payment of subsidies designed to prevent increases at the consumer level. Raw material prices, particularly those for some farm products, have been controlled only indirectly by fixed prices at the consumer level. Subsidies at the consumer level, have, in effect, compensated for increases at the raw material level, without any corresponding rise in the manufactured goods group.

Percentage Changes in Index Numbers of Wholesale Prices By Groups
Between August, 1939 and December, 1943
(1926=100)

Group	1939	1942	1943	December, 1943	December, 1943
	August	December	December	December, 1942	August, 1939
Vegetable Products	58.7	86.0	94.9	+ 10.3	+ 61.7
Fruits, fresh	77.6	140.7	123.4	- 12.3	+ 59.0
Fruits, dried	75.6	93.7	93.7	0.0	+ 23.9
Fruits, canned	64.7	73.5	73.9	+ 0.5	+ 14.2
Grains	39.1	67.3	90.0	+ 33.7	+ 130.2
Flour and other milled products	56.8	78.9	79.1	+ 0.3	+ 39.3
Bakery products	84.4	86.8	86.8	0.0	+ 2.8
Vegetable oils	56.6	132.2	129.5	- 2.0	+ 128.8
Rubber and its products	60.3	75.7	75.7	0.0	+ 25.5
Sugar and its products	87.2	121.4	121.5	+ 0.1	+ 39.3
Tea, coffee, cocoa and spices	72.5	109.6	112.7	+ 2.8	+ 55.4
Potatoes	51.1	83.1	91.5	+ 10.1	+ 79.1
Onions	64.2	112.2	209.8	+ 87.0	+ 226.8

Percentage Changes in Index Numbers of Wholesale Prices by Groups
Between August, 1939 and December, 1943 - continued
(1926=100)

Group	1939 August	1942 December	1943 December	December, 1943 December, 1942	December, 1943 August, 1939
Vegetable Products - conc.					
Vegetables, canned	71.6	80.9	80.9	0.0	+ 13.0
Tobacco, unmanufactured	45.5	73.3	61.2	+ 14.8	+ 34.5
Miscellaneous	58.1	94.3	94.7	+ 0.2	+ 62.2
Animal Products	69.7	105.0	109.6	+ 4.4	+ 57.2
Fishery products	67.9	116.9	138.4	+ 18.4	+ 103.8
Furs	51.1	67.6	123.4	+ 82.5	+ 141.5
Hides and skins	64.4	120.1	94.2	- 21.6	+ 46.3
Leather, unmanufactured	81.9	111.9	111.9	0.0	+ 36.6
Boots and shoes	90.2	105.7	106.2	+ 0.5	+ 17.7
Livestock	79.3	137.1	145.7	+ 6.3	+ 83.7
Meats and poultry	73.6	108.2	111.7	+ 3.2	+ 51.8
Milk and its products	68.5	100.1	99.7	- 0.4	+ 45.5
Fats	43.2	88.2	83.8	- 5.0	+ 94.0
Eggs	57.8	108.1	111.3	+ 3.0	+ 92.6
Fibres, Textiles and Textile Products	66.5	91.9	91.9	0.0	+ 38.2
Cotton thread and yarn	81.2	96.3	96.3	0.0	+ 18.6
Cotton fabrics	68.8	82.5	82.5	0.0	+ 19.9
Cotton knit goods	81.0	98.9	98.9	0.0	+ 22.1
Flax, hemp and jute products	46.6	92.2	92.2	0.0	+ 97.9
Wool, raw	53.9	94.7	94.7	0.0	+ 75.7
Wool hosiery	87.9	108.8	108.8	0.0	+ 23.8
Wool cloth	68.9	105.2	105.2	0.0	+ 52.7
Wool yarns	73.8	107.3	107.3	0.0	+ 45.4
Carpets	93.1	118.8	118.8	0.0	+ 21.6
Wood, Wood Products and Paper	78.4	103.1	115.8	+ 12.3	+ 47.7
Newsprint and wrapping paper	68.0	74.0	86.2	+ 16.5	+ 26.8
Lumber	96.4	136.7	158.1	+ 15.7	+ 64.0
Pulp	59.8	119.0	119.0	0.0	+ 70.5
Furniture	79.8	104.7	104.7	0.0	+ 31.2
Matches	77.9	92.3	92.3	0.0	+ 18.5
Iron and Its Products	97.1	115.8	116.0	+ 0.1	+ 19.5
Pig iron and steel billets	90.2	104.8	104.8	0.0	+ 16.2
Rolling mill products	103.2	121.3	121.6	+ 0.2	+ 17.8
Pipe	91.3	133.2	133.2	0.0	+ 41.3
Hardware	88.5	93.9	93.9	0.0	+ 6.1
Wire	97.2	105.5	105.5	0.0	+ 8.5
Scrap	72.3	111.9	109.7	- 2.0	+ 54.7
Non-Ferrous Metals	69.9	79.7	79.7	0.0	+ 14.0
Brass and copper products	75.5	86.7	86.7	0.0	+ 14.8
Lead and its products	54.0	62.1	62.1	0.0	+ 15.0
Tin ingots	76.0	95.6	95.6	0.0	+ 25.8
Zinc and its products	45.9	59.1	59.2	+ 0.2	+ 29.0
Non-Metallic Minerals	84.1	99.5	100.4	+ 2.9	+ 21.8
Clay and allied products	86.2	101.3	101.4	+ 1.1	+ 18.8
Pottery	96.6	126.7	126.7	0.0	+ 31.2
Coal	92.8	113.8	121.6	+ 6.9	+ 31.0
Coke	110.8	122.8	122.7	+ 0.2	+ 10.7
Manufactured gas	102.0	103.5	103.5	0.0	+ 1.5
Glass and its products	74.1	104.4	104.4	0.0	+ 40.9
Petroleum products	67.7	82.4	82.4	0.0	+ 21.7
Asphalt	92.2	103.3	103.3	0.0	+ 12.0

Percentage Change in Index Numbers of Wholesale Prices by Groups
Between August, 1939 and December, 1943 - concluded
(1926=100)

Group	1939			December,			December,	
	August	December	1943	December	1943	August	1942	1939
Non-Metallic Minerals - conc.								
Salt	116.6	130.6	130.6	0.0	0.0	+ 12.0		
Lime	101.2	112.2	112.2	0.0	0.0	+ 10.9		
Cement	96.3	106.5	106.5	0.0	0.0	+ 10.1		
Sand and gravel	84.9	89.1	94.4	+ 5.9	+ 11.2			
Crushed stone	65.8	91.1	92.9	+ 2.0	+ 41.2			
Building stone	64.3	70.8	70.8	0.0	+ 10.1			
Asbestos	77.9	74.1	74.1	0.0	- 4.9			
Chemicals and Allied Products	77.6	100.9	100.2	- 0.7	+ 29.1			
Inorganic chemicals	84.8	89.1	89.5	+ 0.4	+ 5.5			
Organic chemicals	71.7	87.6	87.6	0.0	+ 22.2			
Coal tar products	92.2	91.1	91.1	0.0	- 1.2			
Dyeing and tanning materials	104.0	136.4	137.5	+ 0.8	+ 32.2			
Explosives	74.7	73.1	73.1	0.0	- 2.1			
Paint, prepared	68.4	82.5	82.5	0.0	+ 20.6			
Paint materials	67.7	99.6	97.8	- 1.8	+ 44.5			
Drugs and pharmaceuticals	71.3	167.7	162.6	- 3.0	+ 128.1			
Fertilizers	82.9	83.9	83.7	- 0.2	+ 0.1			
Industrial gases	92.9	82.3	84.4	+ 2.6	+ 9.1			
Soap	88.0	100.9	93.8	- 7.0	+ 6.6			
Composite Wholesale Index	72.3	97.0	102.5	+ 5.7	+ 41.8			

WARTIME CHANGES IN LIVING COSTS

(1935-1939=100)

Living costs showed a sluggish response to rising commodity markets following the depression years from 1929 to 1933. Thus, the August, 1939 cost-of-living index of 100.8 was only 7.5 points above the June, 1933 depression low, and almost 21 points below the 1929 average. The December, 1943 index of 119.3 was still more than 2 points below the 1929 average.

The wartime rise in living costs followed the same general pattern as that for wholesale prices. There was a brief sharp rise during September, 1939 (reflected in the October 1 index) followed by a gradual rise until April, 1941. This accelerated rapidly until the Maximum Price Regulations were imposed on December 1, 1941. The general movement in 1942 and 1943 continued to be upward, but it was checked temporarily at the end of 1942 by consumer subsidies on milk, tea, coffee, oranges, and butter. In 1943, the index moved upward steadily from February to September before levelling off under the influence of fall seasonal declines in foods.

The wartime increase in the cost-of-living index to December, 1943 was 18.4 p.c. It had reached 15.4 p.c. by November, 1941 before the price ceiling was established.

The contribution of various budget groups to the cost-of-living increase between August, 1939 and the end of 1943 was of widely different proportions. The increase in foods, for example, amounted to nearly double the rise in living costs as a whole. However, rents and miscellaneous items (including a large proportion of service costs) recorded comparatively small increases which retarded considerably the advance in total living costs. The other groups, clothing, homefurnishings and services, and fuel and lighting, increased by percentages approximating that for the total cost-of-living index. These relationships may be observed from the following statement:

Budget Group

Percentage Increase
August, 1939 to
December, 1943

Food	33.6
Clothing	21.0
TOTAL INDEX	18.4
Homefurnishings and Services	17.7
Fuel and Lighting	13.0
Rent	7.8
Miscellaneous items	7.2

A further breakdown showing percentage increases for sub-groups falling under the above headings is given below.

Percentage Increases in Cost-of-Living Index

Groups and Sub-groups

August, 1939-December, 1943

<u>Food</u>	33.6	<u>Miscellaneous Items</u>	7.2
Dairy Products	17.1	Health	4.2
Fats	78.5	Medicines	1.3
Meats and Fish	52.1	Hospital Charges	9.3
Cereals	10.8	Doctors' Fees	3.3
Dry Groceries	31.7	Dentists' Fees	5.1
Vegetables	19.5		
Fruits	41.7		
<u>Fuel and Lighting</u>	13.0	<u>Personal Care</u>	7.2
Coal	19.3	Personal Cleaning Supplies ..	3.9
Gas	5.2	Barbers' Fees	11.4
Electricity	3.4		
<u>Rentals</u>	7.8	<u>Transportation</u>	9.3
Houses	8.4	Motor Operating Costs	13.4
Flats and Apartments	6.3	Railway Fares	15.0
<u>Clothing</u>	21.0	Street Car Fares	0.1
Men's Wear	23.6		(decrease)
Women's Wear	22.6		
Piece Goods	23.0		
Footwear	12.1		
<u>Homefurnishings and Services</u> ...	17.7	<u>Recreation</u>	12.7
Furniture	25.6	Theatre Admissions	17.7
Floor Coverings	18.6	Newspaper Costs	5.6
Furnishings	31.6	Magazine Costs	33.8
Hardware	20.6	Tobacco Costs	12.3
Dishes and Glassware	14.0		
Cleaning Supplies	7.9		
Laundry	3.3		
Telephone	2.7		

WARTIME REVIEW OF SECURITY PRICE MOVEMENTS

(1935-1939=100)

Declaration of war in August, 1939 found security prices on Canadian exchanges at varied positions in relation to 1935-1939 average levels. Industrials and utility stocks, for instance, were weak, reflecting the downward swing in the business cycle from 1937 high points. On the other hand mining stocks, golds in particular, were firm at the onset of war.

The Bureau's composite index for 94 industrial and utility common stocks was 14 p.c. below the 1935-1939 average in August of 1939, while a composite index for 25 representative mining stocks was almost 6 p.c. above its 1935-1939 average. An index of preferred shares was 97.7 for August, 1939, and an index of yields on Dominion of Canada long-term bonds was 94.5. The immediate reaction of these security groups following the outbreak of war varied widely. The prospect of a world war increased business activity produced an almost perpendicular advance in manufacturing and utility issues from 85.8 in August, 1939 to a wartime peak of 96.6 in October. To a lesser extent the rise in common stocks was reflected by those in the preferred group. Bond yields increased, indicating that the price level of bonds had declined sharply. For mining stocks the effect of war was depressing, notably for golds, the index for which dropped 11.2 points to 84.6 in September. Base metal shares were less depressed but were partially responsible for a 5 p.c. decline in the general level of mining share prices in the first two months of war.

Through the years 1940 to 1943, the movement of security prices followed closely the changing fortunes of the United Nations. Prices were influenced also by manpower shortages, increases in the excess profits tax, and material shortages. In the first half of 1940 the decline in stocks was severe, and by the time France had fallen in June, the Investors' index was 32 p.c. below its pre-war level, while the mining stock index was 40 p.c. lower than for August, 1939. Through 1941, the Investors' index hovered within a 10 p.c. range, while mining stocks continued almost steadily downward due to weakness in gold issues. Because of their low manpower priority rating, gold mines were particularly susceptible to the effect of the war's drain of labour resources, and this coupled with higher costs of materials reduced net profits. The 10 p.c. premium on United States funds which has obtained almost since the beginning of the war, was of assistance in offsetting higher costs in the earlier stages of the war, since it raised the price of gold from \$35.00 per fine ounce to \$38.50.

Sustained recovery in security prices did not materialize until well into 1942. Although the Investors' index had reached a wartime low of 61.1 in April, the mining stocks index continued downward to 46.2 in October. No change occurred in the Investors' index of the average level of common stocks from April to September. However, all the main groups of stocks gained strength as the outcome of the North African campaign became increasingly certain towards the close of 1942, and the Investors' index continued upward to a peak of 91.0 in July, 1943, while the mining stock index reached 79.2 in September. Fourth-quarter movements were erratic, influenced by premature peace rumours. At a level of 80.5 in December, the Investors' index was still 6.2 p.c. lower than in August, 1939, while mining stocks averaged 29.1 p.c. lower at 74.9.

For a few industrial groups, stock price movements have shown exceptional wartime fluctuations. The most spectacular change occurred in gold shares. In August, 1939 the index level for a representative index of 22 gold shares was 95.8 (1935-39=100), but in the succeeding three years there was a drop to 33.3 in October, 1942. As already noted, loss of manpower and higher operating costs, coupled with the possibility suggested in 1942, that all gold mines would be shut down, largely influenced this steep descent. The 1942-1943 recovery moved the level of the gold index up to 68.5 by the close of 1943. This left the gold index still 28.5 p.c. below pre-war levels.

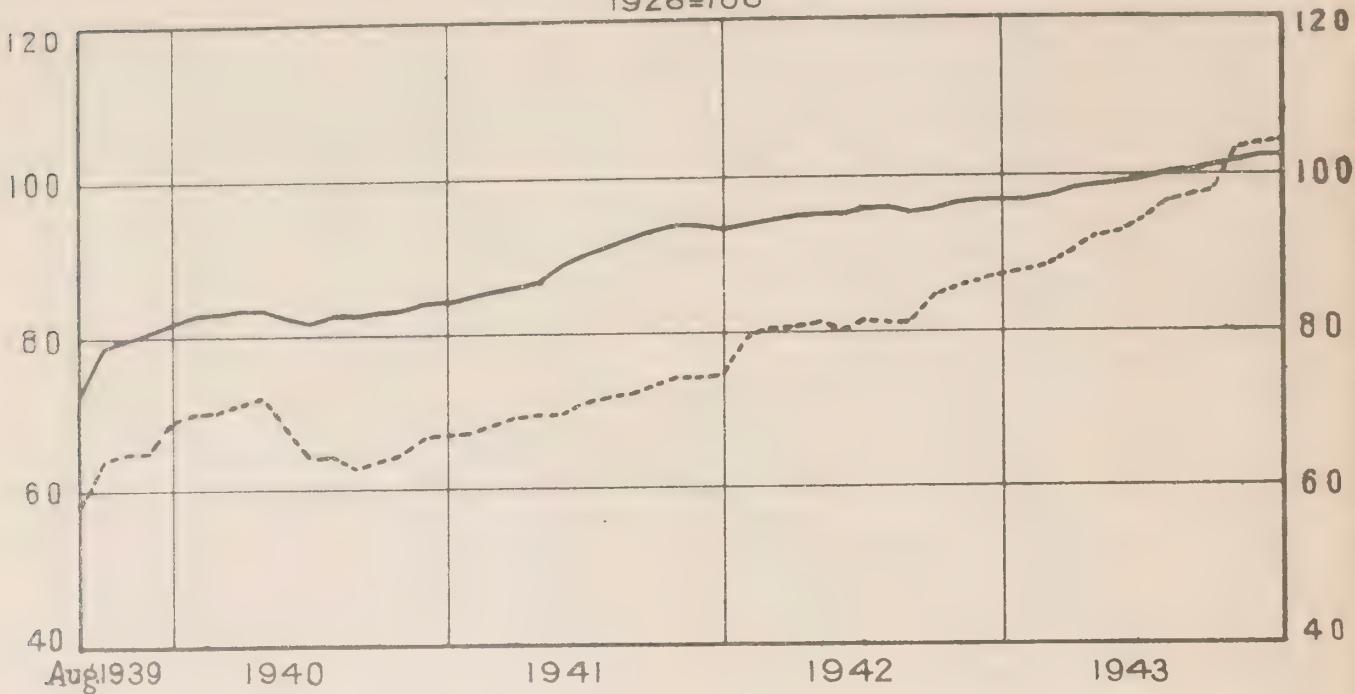
The rise in pulp and paper stocks at the outbreak of war provided another feature of security markets. The average price level of stocks in this group more than doubled within the space of three months after the war started. This increase reflected expectations of a larger United States market for pulp as a result of anti-submarine warfare on ships carrying this product from Scandinavian countries. Subsequently these issues shared in the drastic decline common to all security prices, and had fallen back almost to the pre-war index level of 55.3 by September, 1942. In the general recovery of 1943, the pulp and paper index rose to 102.7 in December, 1943.

Oil stocks also recorded greater than average fluctuations. An index of oil stocks stood at 74.2 in August, 1939, and reached a wartime peak of 93.3 in October. Subsequently it sank to 41.2 in March of 1942, but by December, 1943, this series was back on a par with pre-war levels (74.7).

Of the utility groups, transportation issues recorded the widest fluctuations. The index for this group in August, 1939 was exceptionally low at 39.6 but in the following three months it had more than doubled to reach 83.5. From that point an intermittent reaction occurred to a wartime low of 47.3 in June, 1940. Fluctuations in the ensuing two years were within a 50 p.c. range, culminating in a prolonged rise commencing in October, 1942 to a wartime peak of 111.6 in May, 1943. The year's close at 107.6 was 171.7 p.c. above August, 1939.

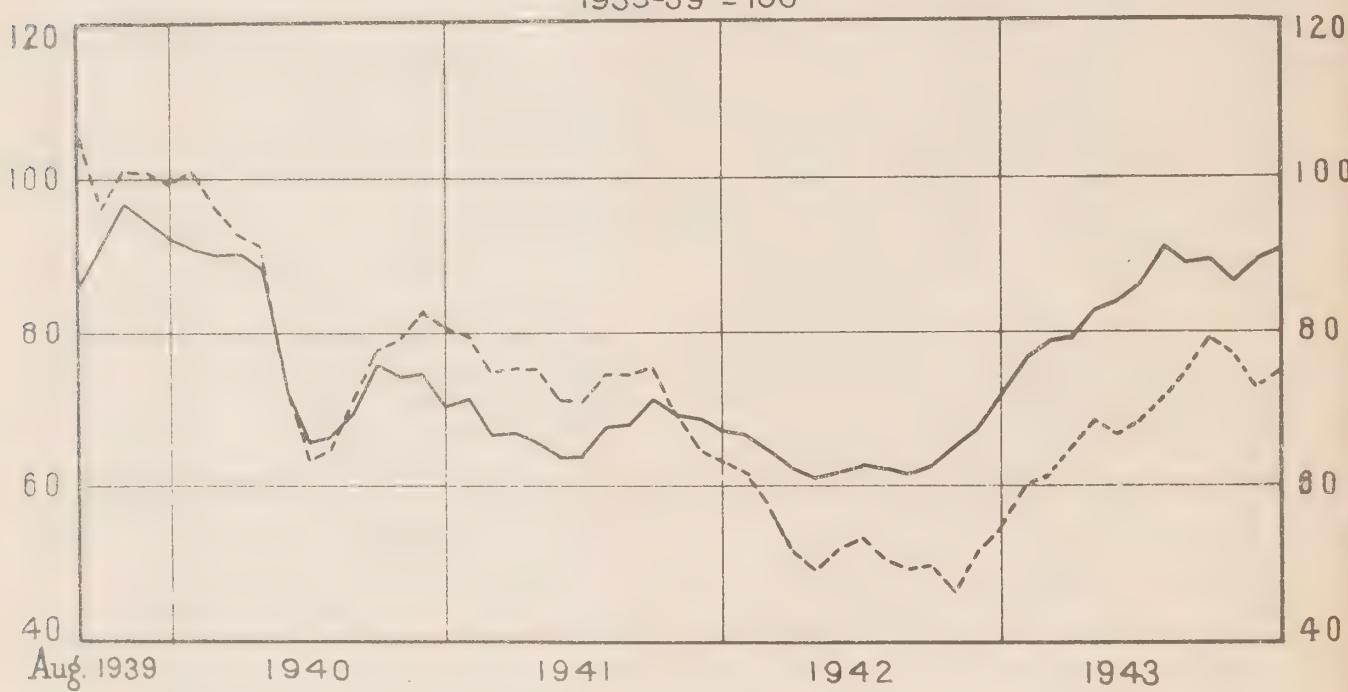
PRICE INDEX NUMBERS, AUGUST 1939-DECEMBER 1943
General wholesale _____ Canadian Farm Products -----

1926=100

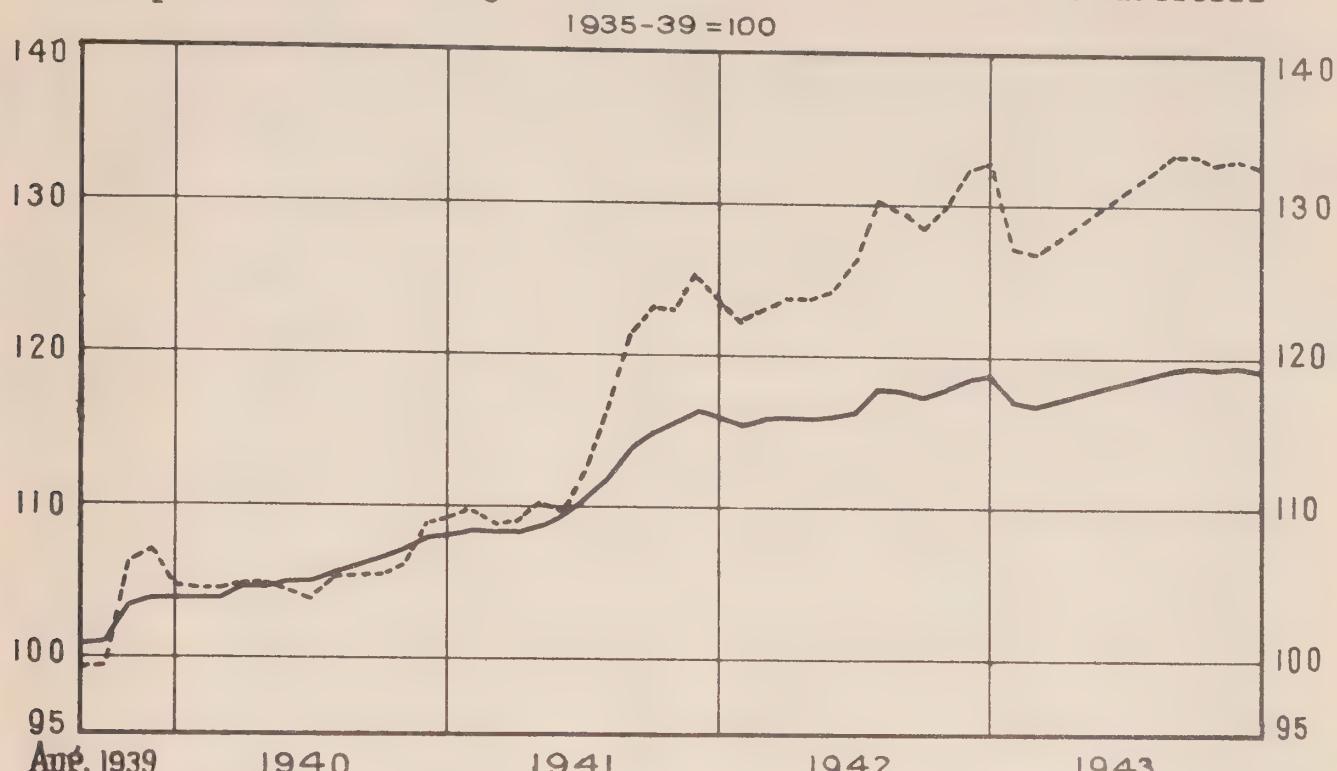


INDEX NUMBERS OF STOCK PRICES, AUGUST 1939-DECEMBER 1943
Investors Index of 94 Common stocks _____ 25 Mining stocks -----

1935-39 = 100



INDEX NUMBERS OF LIVING COSTS, AUGUST 1939-DECEMBER 1943
Composite Cost of Living — Foods -----



PRICE INDEX NUMBERS, AUGUST 1939-DECEMBER 1943
General Wholesale — August 1939=100 Cost of Living -----

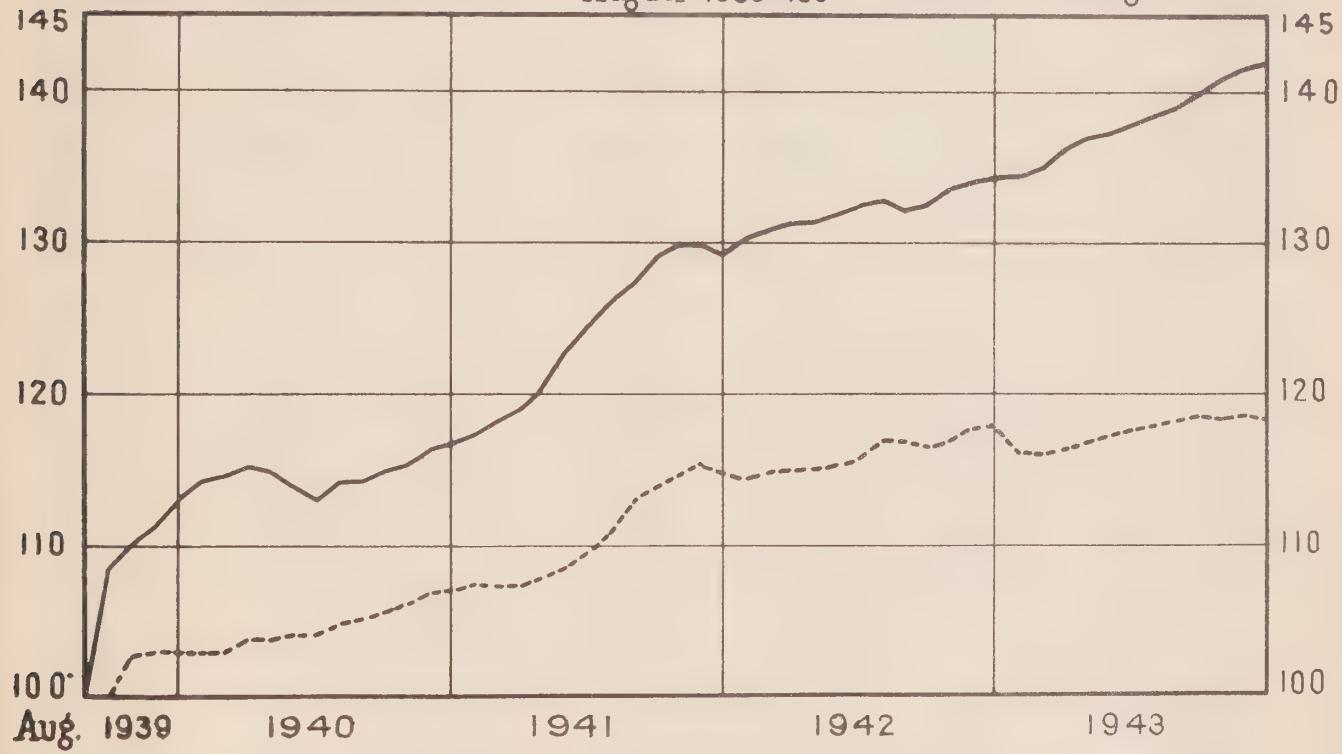


Table I. - Weighted Index Numbers of Wholesale Prices, August, 1939 - December, 1943
(1926 = 100)

Month	Vege-		Fibres,		Wood,	:
	General	table	Animal	Textile	Wood	:
	Wholesale Products		Products	and Products	Products	Iron and its Products
1939 - August ..	72.3	58.7	69.7	66.5	78.4	97.1
September ..	78.4	68.7	77.6	72.9	82.4	99.4
October ..	79.6	68.5	80.8	75.8	83.6	100.6
November ..	80.4	68.5	80.8	79.2	85.0	102.0
December ..	81.7	72.0	80.3	81.9	85.3	102.2
1940 - January ..	82.6	73.7	79.9	82.5	86.0	102.9
February ..	82.8	74.1	80.0	83.2	86.1	102.7
March ...	83.2	75.0	79.9	84.0	86.7	102.6
April ...	83.1	76.1	77.5	84.2	86.9	102.5
May	82.2	72.9	76.6	83.8	87.1	102.4
June	81.7	70.6	77.0	83.9	87.4	102.7
July	82.6	71.3	77.2	84.0	89.9	103.2
August ..	82.6	70.3	76.8	83.6	90.5	105.8
September ..	83.0	69.8	78.7	83.8	91.4	106.1
October ..	83.3	69.7	80.2	83.7	91.4	106.2
November ..	84.0	70.9	82.1	84.0	91.4	106.2
December ..	84.2	70.8	83.5	84.4	91.3	106.3
1941 - January ..	84.8	71.8	83.5	84.4	91.9	107.4
February ..	85.4	72.4	84.3	84.5	92.4	108.5
March ...	86.0	73.7	85.3	85.3	92.4	108.5
April ...	86.8	75.9	84.5	86.0	92.6	109.0
May	88.8	76.6	85.8	88.2	95.5	112.7
June	90.1	77.7	89.7	90.8	96.1	112.7
July	91.2	78.5	93.5	92.5	97.1	112.6
August ..	92.0	77.7	97.0	94.0	98.5	112.6
September ..	93.3	79.1	100.1	96.9	98.8	112.6
October ..	93.9	80.0	101.1	97.2	98.7	112.8
November ..	93.9	79.8	101.8	96.7	98.8	112.8
December ..	93.5	80.2	98.8	94.9	99.2	112.9
1942 - January ..	94.1	82.0	98.5	93.0	100.9	112.9
February ..	94.6	82.7	98.9	92.1	100.8	115.4
March ...	95.0	83.4	99.8	92.1	101.1	115.4
April ...	95.0	83.5	99.6	92.0	101.4	115.4
May	95.2	83.9	99.8	91.9	101.8	115.3
June	95.8	84.5	102.2	91.9	101.8	115.8
July	96.0	86.1	101.1	91.9	101.5	115.8
August ..	95.5	85.2	99.6	91.9	101.5	115.8
September ..	95.8	85.2	100.5	91.9	101.7	115.8
October ..	96.6	85.7	103.3	91.9	102.8	115.8
November ..	96.9	86.0	104.8	91.9	102.8	115.8
December ..	97.0	86.0	105.0	91.9	103.1	115.8
1943 - January ..	97.1	86.2	104.3	91.9	104.0	116.0
February ..	97.5	87.1	105.0	91.9	104.0	116.0
March ...	98.5	88.8	105.6	91.9	106.5	116.0
April ...	98.9	89.8	105.7	91.9	107.3	115.7
May	99.2	90.4	106.5	91.9	107.6	115.7
June	99.6	91.4	106.7	91.9	107.6	115.7
July	100.1	92.5	107.6	91.9	107.8	115.7
August ..	100.4	92.5	108.0	91.9	109.5	115.7
September ..	101.2	92.7	108.4	91.9	113.6	115.7
October ..	101.9	94.1	109.6	91.9	113.9	115.8
November ..	102.4	94.8	109.7	91.9	115.8	115.8
December ..	102.5	94.9	109.6	91.9	115.8	115.8

Table I. - Weighted Index Numbers of Wholesale Prices, August, 1939 - December, 1943.
(1926 = 100)

Non-Ferrous Metal Products	: Non-Metallic Mineral Products	: Chemicals and Allied Products	: Canadian Farm Products	: Raw and partly Manufactured Materials	: Fully and Chiefly Manufactured Materials
			: Total	: Field Animal	
69.9	84.1	77.6	58.4	48.2	75.4
74.6	84.6	81.5	64.3	53.9	81.8
74.9	86.1	82.3	64.8	51.7	86.6
74.5	86.5	83.9	64.9	51.8	86.8
75.3	86.5	85.1	69.0	58.6	86.4
76.2	87.6	85.5	70.0	60.8	85.4
76.4	87.6	85.7	70.3	61.5	85.0
76.4	87.7	85.6	71.3	63.1	84.9
76.3	87.2	85.5	72.1	64.9	84.1
76.5	88.9	85.5	68.0	58.2	84.3
76.7	88.9	85.6	64.3	52.9	83.5
76.9	90.3	89.4	64.4	52.8	83.9
77.0	90.3	90.8	62.7	50.4	83.3
77.3	90.7	90.4	63.8	50.7	85.8
77.7	90.8	90.3	64.6	51.1	87.3
77.7	90.8	90.1	66.9	52.5	91.0
77.7	90.8	90.8	67.1	52.5	91.6
77.7	91.0	91.4	67.2	53.6	90.0
77.7	91.5	92.0	68.3	54.4	91.6
77.7	91.5	93.3	69.1	55.6	91.8
77.7	91.8	95.9	69.5	55.9	92.2
78.1	96.0	100.0	69.6	55.5	93.3
78.1	96.1	99.7	71.0	57.1	94.3
77.6	96.3	100.2	71.7	57.1	96.1
77.5	96.8	100.8	72.1	56.7	97.9
77.5	97.2	102.3	73.3	57.6	99.6
77.6	98.1	103.7	74.1	57.9	101.1
77.6	98.1	103.8	74.1	57.4	102.0
77.6	98.5	104.1	74.6	59.2	100.5
77.7	98.5	104.2	79.2	62.8	106.7
77.8	98.5	104.3	80.4	64.4	107.3
77.8	98.5	104.4	80.8	64.6	107.9
77.8	98.4	104.5	81.4	65.0	108.9
77.8	99.1	102.4	80.2	65.5	104.8
77.8	99.2	102.2	81.5	66.3	107.0
77.8	99.2	102.2	81.1	67.7	103.5
77.7	99.2	102.3	81.3	68.4	103.0
79.7	99.2	102.2	84.3	67.6	112.2
79.7	99.3	102.2	85.7	67.9	115.5
79.7	99.3	102.3	86.5	68.4	116.7
79.7	99.5	101.1	87.1	69.0	117.3
79.7	99.7	100.9	87.7	70.6	116.4
79.7	99.8	100.9	88.6	71.6	117.0
79.7	99.8	101.0	91.3	75.4	117.8
79.7	99.6	100.4	92.3	76.8	118.2
79.7	99.8	100.3	92.8	77.4	118.7
79.7	99.8	100.4	94.4	79.4	119.4
79.7	100.5	100.5	96.4	82.6	119.4
79.7	100.5	100.5	97.5	84.9	118.6
79.7	100.5	100.5	97.9	86.1	117.6
79.7	100.5	100.3	103.6	90.8	125.0
79.7	100.5	100.3	104.2	91.3	125.7
79.7	100.5	100.2	104.6	91.7	126.1
79.7	102.4	100.2	104.6	91.7	104.2

Table II. - Index Numbers of Living Costs in Canada, August, 1939 - December, 1943.
(1935 - 39 = 100 for the Dominion Index)

Month	:	:	:	:Fuel		: Home	:	:Retail	
	Total	Food	Rent	:and Light-	:Clothing	:Furnishings	:Miscellaneous	:Prices	
	:Index	:Index	:Index	:Index	:Index	:Services	:Index	:(com-modities	
	:	:	:	:Index	:	: Index	:	:only)	
1939 -	August ..	100.8	99.3	103.8	99.0	100.1	100.9	101.3	100.0
	September	100.8	99.4	103.8	98.9	99.6	100.8	101.3	100.0
	October ..	103.5	106.3	104.4	104.4	99.6	101.0	101.7	103.8
	November.	103.8	107.1	104.4	105.3	99.6	101.0	101.9	104.3
	December.	103.8	104.7	104.4	105.4	103.3	104.1	102.0	104.3
1940 -	January ..	103.8	104.5	104.4	105.5	103.3	104.3	101.8	104.2
	February.	103.8	104.5	104.4	105.8	103.3	104.3	101.9	104.3
	March ...	104.6	104.8	104.4	105.7	107.8	105.9	101.9	105.5
	April ..	104.6	104.8	104.4	105.9	107.8	106.1	101.8	105.5
	May ...	104.9	104.4	106.9	106.1	107.8	106.2	101.8	105.3
	June ...	104.9	103.8	106.9	106.0	109.1	106.5	101.8	105.3
	July ...	105.6	105.3	106.9	107.9	109.1	106.9	102.2	106.4
	August ..	105.9	105.4	106.9	108.4	109.1	106.9	103.0	106.8
	September	106.4	105.4	106.9	108.5	112.4	108.9	102.8	107.9
	October ..	107.0	106.1	107.7	108.0	113.5	109.7	102.8	108.4
	November.	107.8	108.7	107.7	108.5	113.5	110.0	102.8	109.7
	December.	108.0	109.1	107.7	108.5	113.5	110.7	102.8	110.0
1941 -	January ..	108.3	109.7	107.7	108.6	113.7	110.8	103.1	110.4
	February.	108.2	108.8	107.7	108.7	114.1	111.5	103.1	110.1
	March ..	108.2	109.0	107.7	108.9	114.2	111.6	102.9	110.2
	April ..	108.6	110.1	107.7	108.9	114.3	111.7	102.9	110.7
	May ...	109.4	109.7	109.7	109.2	114.5	111.8	105.1	110.9
	June ...	110.5	112.5	109.7	110.2	114.9	112.1	105.6	112.7
	July ...	111.9	116.6	109.7	110.5	115.1	113.0	105.6	114.9
	August ..	113.7	121.3	109.7	110.5	115.7	114.3	106.1	117.7
	September	114.7	123.3	109.7	110.9	117.4	115.8	106.4	119.4
	October ..	115.5	123.2	111.2	112.1	119.6	117.3	106.5	120.1
	November.	116.3	125.4	111.2	112.7	120.0	117.9	106.7	121.4
	December.	115.8	123.8	111.2	112.7	119.9	117.9	106.7	120.6
1942 -	January ..	115.4	122.3	111.2	112.9	119.9	118.0	106.8	119.9
	February.	115.7	123.1	111.2	112.9	119.8	118.0	107.1	120.3
	March ...	115.9	123.7	111.2	112.9	119.8	118.0	107.1	120.6
	April ..	115.9	123.7	111.2	112.9	119.8	118.1	107.1	120.6
	May	116.1	124.3	111.3	112.9	119.9	118.0	107.1	120.9
	June ...	116.7	126.2	111.3	112.6	119.9	117.9	107.1	121.8
	July ...	117.9	130.3	111.3	112.5	120.0	117.9	107.1	123.9
	August ..	117.7	129.6	111.3	112.5	120.1	117.8	107.1	123.5
	September	117.4	128.5	111.3	112.5	120.1	117.8	107.1	123.0
	October ..	117.8	129.8	111.3	112.8	120.1	117.8	107.1	123.7
	November.	118.6	132.4	111.3	112.8	120.1	117.8	107.1	125.0
	December.	118.8	132.8	111.3	112.8	120.2	117.8	107.2	125.2
1943 -	January ..	117.1	127.3	111.3	112.8	120.2	117.8	107.5	122.5
	February.	116.9	126.7	111.3	112.7	120.1	117.8	107.5	122.2
	March ..	117.2	127.7	111.3	112.7	120.1	117.8	107.5	122.7
	April ..	117.6	128.7	111.3	112.7	120.2	117.8	107.7	123.2
	May ...	118.1	129.9	111.5	112.7	120.2	117.8	108.0	124.0
	June ...	118.5	130.9	111.5	113.0	120.4	117.8	108.2	124.5
	July ...	118.8	131.8	111.5	113.4	120.5	117.8	108.2	125.1
	August ..	119.2	133.2	111.5	113.4	120.6	117.9	108.2	125.8
	September	119.4	133.5	111.5	113.4	120.6	118.2	108.3	126.0
	October ..	119.3	132.9	111.9	113.3	121.1	118.2	108.3	125.8
	November.	119.4	133.1	111.9	113.3	121.1	118.2	108.3	125.9
	December.	119.3	132.7	111.9	111.9	121.1	118.8	108.6	125.9

Table II. - Index Numbers of Living Costs in Canada, August, 1939 - December, 1943.
(August, 1939 = 100 for City Indexes)

Halifax	Saint John	Montreal	Toronto	Winnipeg	Saskatoon	Edmonton	Vancouver
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
99.4	99.9	99.7	99.7	100.1	99.9	99.9	99.8
102.9	102.5	104.1	102.5	102.8	103.6	102.8	102.1
103.4	102.7	104.2	102.6	102.7	103.9	103.7	102.3
103.3	103.4	104.7	103.2	102.9	104.8	103.8	102.6
103.9	103.3	104.4	102.4	102.7	104.5	103.1	102.1
103.4	103.0	104.4	102.5	102.6	104.6	103.1	102.9
104.7	103.9	105.5	102.8	103.2	105.1	103.4	103.1
104.9	104.2	105.4	103.2	103.3	105.1	103.7	103.4
106.1	104.4	105.9	103.3	103.3	105.3	104.0	103.7
105.5	104.1	106.2	103.4	103.2	104.7	103.8	103.0
106.8	104.9	107.3	104.0	104.5	105.6	103.8	103.3
107.5	105.4	107.0	104.2	104.6	105.3	103.7	103.7
107.6	105.2	108.1	105.0	104.3	105.8	104.0	103.8
107.0	107.0	108.3	105.1	105.2	106.9	104.2	104.0
107.5	108.0	109.3	105.9	106.0	107.9	105.1	105.0
108.0	108.7	109.4	105.8	106.3	108.6	105.6	105.3
108.4	108.4	110.0	105.9	106.6	109.3	105.6	105.4
107.9	108.3	109.8	106.0	106.0	108.7	105.5	106.1
107.4	107.9	109.8	106.2	105.9	108.8	105.3	106.2
107.8	108.2	109.9	106.3	106.2	109.0	105.5	106.5
108.1	108.6	110.0	107.6	106.8	109.9	106.3	106.9
108.8	108.8	111.9	108.7	107.8	110.3	107.0	107.5
110.4	110.3	113.5	110.2	108.9	111.1	108.1	109.3
111.6	112.2	115.1	111.7	110.3	113.1	109.8	110.4
112.6	112.6	115.8	113.0	111.7	115.1	111.4	112.0
112.7	113.2	116.3	114.0	112.2	115.7	111.4	112.3
113.7	114.6	117.2	115.0	113.1	116.4	111.6	112.9
113.1	114.5	116.8	114.5	113.1	116.4	111.4	112.4
113.0	114.5	116.6	114.1	112.2	115.7	110.8	111.9
113.5	115.2	117.1	114.5	112.4	115.7	110.9	112.1
113.5	115.3	117.3	114.7	112.6	116.0	111.1	112.2
113.5	115.1	117.4	114.7	112.6	116.1	111.1	112.2
113.5	115.1	117.7	114.9	112.9	115.7	111.3	112.6
114.0	115.4	118.2	115.5	113.1	116.2	112.0	113.1
114.8	116.7	119.3	116.8	114.6	117.4	114.1	115.1
115.8	117.2	118.7	116.2	115.0	117.5	114.1	115.0
115.3	116.3	118.5	116.0	114.1	116.3	113.1	115.1
115.5	116.6	119.4	116.3	114.5	117.0	113.6	115.4
115.9	117.1	120.1	116.8	115.3	118.3	114.5	116.5
116.2	117.3	120.3	116.8	115.6	118.5	115.0	116.8
115.1	116.4	118.8	115.5	114.1	116.8	113.9	115.7
114.7	115.9	118.8	115.3	114.1	116.7	113.5	114.7
115.2	116.2	119.0	115.2	114.4	117.0	113.8	115.5
115.7	116.7	119.0	115.4	114.7	117.4	114.1	116.7
116.6	117.2	119.4	115.8	114.9	117.7	114.8	117.0
117.1	117.8	120.6	116.3	115.1	117.8	115.2	116.9
117.5	118.4	121.3	117.0	115.3	118.4	115.5	117.4
118.7	119.0	121.3	117.3	115.6	118.9	116.0	117.7
118.6	119.0	121.5	117.5	115.4	118.9	115.9	117.6
118.2	118.4	121.5	117.5	115.4	119.0	115.9	117.7
118.1	118.4	121.7	117.5	115.5	119.2	115.9	117.8
118.1	118.5	121.4	117.4	115.4	119.5	116.0	117.5

Table III. - Weighted Index Numbers of Common Stock Prices,
August, 1939 - December, 1943.

(Investors' Monthly Index Numbers of Common Stocks)
(1935 - 1939 = 100)

Month	GENERAL			INDUSTRIALS					
	Machin-		ery and		Pulp		Textiles		Food
	Total	Total	Equip-	ment	and	Mill-	Oils	and	Allied
	(7)	(6)	(8)	(7)	(3)	(4)	(10)	(11)	(12)
1939 - August ..	85.8	84.8	86.8	55.3	89.6	74.2	89.1	112.4	
September ..	91.2	92.5	106.2	95.1	117.6	82.6	106.6	106.3	
October ..	96.6	97.3	119.2	116.5	125.3	93.3	120.6	111.3	
November ..	94.4	94.5	112.8	113.0	118.9	87.3	122.9	108.5	
December ..	92.2	90.9	113.6	118.0	120.0	82.0	125.5	112.1	
1940 - January ..	90.9	89.1	107.4	122.0	116.5	78.2	128.0	113.9	
February ..	90.2	88.6	103.8	116.5	116.0	79.4	134.4	114.8	
March ..	90.3	87.5	107.2	114.0	113.7	78.0	135.4	115.6	
April ..	88.4	85.1	105.9	122.4	113.0	74.1	135.7	115.0	
May ..	73.3	69.2	82.0	81.1	91.5	62.6	119.3	102.7	
June ..	65.5	61.2	74.5	65.2	74.1	50.3	104.2	89.7	
July ..	66.1	62.3	73.5	69.2	79.1	50.8	110.4	90.8	
August ..	69.3	65.8	78.7	76.2	80.6	52.4	114.0	93.5	
September ..	75.8	73.1	85.5	82.1	95.5	60.7	121.4	101.6	
October ..	74.2	71.3	84.0	80.1	93.5	56.2	120.8	101.4	
November ..	74.5	71.3	86.0	82.6	81.4	54.5	121.5	100.7	
December ..	70.3	65.9	78.6	76.7	75.2	48.7	116.8	99.6	
1941 - January ..	71.3	66.9	77.6	74.1	72.3	51.6	110.6	96.8	
February ..	66.5	62.3	72.9	63.8	69.5	48.7	105.0	90.1	
March ..	66.8	63.1	73.6	65.4	69.5	49.5	103.1	87.9	
April ..	65.8	62.3	73.2	63.9	68.6	49.4	101.3	88.6	
May ..	63.9	60.7	71.8	59.7	63.4	51.3	97.4	88.6	
June ..	64.0	60.3	72.0	59.5	67.5	48.0	101.1	90.1	
July ..	67.5	64.0	76.3	66.1	67.5	48.4	105.7	90.5	
August ..	67.8	64.4	76.8	70.2	72.4	49.1	106.3	91.8	
September ..	71.0	67.5	80.5	78.5	75.1	51.3	108.4	93.3	
October ..	69.1	65.5	78.3	75.5	74.5	51.2	105.7	91.9	
November ..	68.8	65.3	78.2	76.4	74.9	52.9	110.0	91.0	
December ..	67.2	63.9	75.5	72.9	72.2	49.0	110.4	91.4	
1942 - January ..	66.8	62.9	74.3	71.9	74.5	45.9	112.8	88.7	
February ..	64.7	60.8	73.4	69.3	69.7	43.6	108.7	85.5	
March ..	62.3	57.8	69.7	66.1	70.9	41.2	104.3	75.8	
April ..	61.1	56.6	70.6	63.2	69.6	41.4	102.4	74.2	
May ..	62.0	57.9	74.7	61.1	70.5	43.2	104.3	73.5	
June ..	62.8	58.4	76.2	61.1	69.6	44.5	106.6	73.9	
July ..	62.4	58.6	76.6	58.9	65.3	46.6	100.4	75.9	
August ..	61.6	58.5	76.0	56.0	61.2	47.5	97.7	75.3	
September ..	62.6	59.8	77.9	55.9	62.0	49.0	99.8	74.2	
October ..	65.0	62.2	80.3	57.8	64.9	51.0	99.6	74.0	
November ..	67.6	64.1	82.5	62.6	72.3	53.7	101.6	77.1	
December ..	71.3	67.2	86.0	71.2	81.9	57.9	109.3	82.5	
1943 - January ..	76.3	72.1	90.3	75.3	82.4	62.9	114.3	88.2	
February ..	78.7	75.6	94.0	75.8	88.3	67.2	117.4	88.1	
March ..	79.1	75.0	96.7	77.1	89.5	65.6	118.1	81.6	
April ..	82.6	77.4	100.8	79.6	92.3	67.7	121.1	87.1	
May ..	83.7	77.6	104.0	89.3	91.6	67.9	119.9	88.7	
June ..	86.3	79.8	108.6	94.7	96.0	73.2	124.0	89.4	
July ..	91.0	85.7	110.5	106.8	94.1	84.9	126.0	91.5	
August ..	88.9	83.6	109.4	104.8	92.2	82.1	125.9	93.4	
September ..	89.3	83.9	111.4	104.7	91.9	83.5	126.1	93.4	
October ..	86.4	81.6	110.8	103.0	88.2	81.0	124.8	93.6	
November ..	79.6	75.1	103.8	96.5	89.6	74.4	120.3	90.7	
December ..	80.5	75.8	106.0	102.7	88.7	74.7	119.3	88.1	

Table III. - Weighted Index Numbers of Common Stock Prices,
August, 1939 - December, 1943.
(Investors' Monthly Index Numbers of Common Stocks)
(1935 - 1939 = 100)

MINISTRIES			UTILITIES			TRANSMISSION		
	Build-	Indus-	Total	Trans-	Tele-	Phone,	Power	
Bever-	Mater-	trial	Mines	por-	Tele-	and	Tran-	Total
(7)	(15)	(2)	(18)	(2)	(2)	(2)	(14)	(3)
93.8	87.4	95.4	81.1	39.6	110.7	85.5	103.0	
86.5	104.5	105.2	83.7	75.9	99.4	81.3	95.3	
96.8	115.7	98.6	90.7	83.5	105.1	89.8	93.0	
101.6	112.5	97.4	88.7	68.2	106.6	89.7	102.9	
104.2	113.6	93.0	90.7	70.8	107.7	92.3	103.1	
107.9	108.3	92.2	90.7	69.9	107.4	92.3	103.3	
106.8	105.5	90.2	89.9	71.6	107.1	92.2	103.0	
107.9	105.3	88.3	93.4	84.0	107.7	92.0	104.0	
109.9	105.2	84.9	93.4	82.7	106.1	93.2	102.6	
94.0	83.2	65.0	78.2	57.1	99.3	78.3	91.4	
85.2	74.3	62.7	71.0	47.3	95.6	70.8	92.3	
91.0	73.5	65.8	70.4	49.0	91.5	70.9	85.5	
95.9	77.5	71.2	73.6	55.0	95.3	73.2	88.1	
99.5	87.0	77.4	78.0	60.1	99.5	77.2	92.9	
99.5	88.9	77.7	77.0	55.4	100.2	76.9	91.9	
105.8	91.2	77.8	78.2	62.2	101.4	76.2	92.7	
106.5	87.6	71.4	76.4	55.8	101.3	75.6	94.6	
104.3	84.0	73.2	77.3	60.9	101.2	75.4	94.7	
98.6	77.3	67.3	71.3	51.6	100.2	68.8	90.9	
93.7	78.5	69.0	70.7	55.7	93.2	67.0	89.9	
88.1	77.8	67.8	68.2	57.3	97.8	62.2	89.7	
82.8	71.4	62.6	65.2	54.8	91.6	60.3	88.1	
87.3	72.9	64.2	67.1	58.9	92.6	62.0	89.1	
94.3	77.8	72.3	70.6	65.8	93.0	65.3	89.1	
95.7	79.7	71.5	71.2	70.0	91.6	64.4	89.1	
102.4	82.4	75.8	71.7	70.3	98.5	68.3	91.2	
98.7	78.9	71.7	72.5	65.7	96.8	67.2	90.8	
102.6	77.8	68.9	71.1	65.2	95.3	65.5	91.7	
104.8	75.5	69.7	68.7	60.4	95.9	63.0	90.5	
99.2	75.1	71.9	70.4	64.5	95.5	64.4	91.1	
96.3	73.9	70.1	67.7	60.5	93.5	62.1	91.1	
92.8	74.0	67.3	67.5	59.4	93.5	62.0	89.1	
93.1	73.9	64.2	66.3	60.6	91.9	60.2	89.4	
94.2	75.7	65.2	66.4	59.6	92.0	60.7	87.7	
93.6	76.8	64.9	68.1	56.6	92.3	64.3	87.7	
95.5	75.3	62.7	67.8	58.4	86.5	65.2	89.7	
98.3	73.1	61.9	67.8	58.8	80.8	66.9	73.9	
98.7	71.2	64.1	69.2	62.5	83.4	67.1	69.0	
98.9	70.8	68.4	72.0	73.4	83.9	67.9	71.3	
105.5	74.9	68.0	77.6	85.7	87.1	72.1	72.3	
107.3	79.6	69.1	83.8	88.2	89.8	80.7	74.1	
109.7	84.0	74.3	90.0	92.1	93.3	86.5	75.7	
111.8	85.0	78.6	88.0	84.7	92.2	88.0	79.6	
113.9	85.3	79.6	92.1	102.1	93.7	88.6	86.2	
128.2	89.5	79.7	101.4	123.3	96.8	95.8	88.2	
128.1	91.4	79.2	106.2	133.4	95.0	101.0	89.5	
133.5	93.1	77.3	111.1	126.3	96.6	111.1	81.4	
137.9	94.5	78.7	112.4	130.5	98.1	111.3	81.7	
138.0	93.3	76.1	109.5	121.0	100.1	109.0	82.7	
138.5	92.6	75.0	110.3	118.7	100.7	110.8	82.8	
143.9	90.8	71.2	104.3	124.7	100.5	102.3	82.2	
142.2	85.2	62.9	94.1	98.9	99.9	90.9	79.2	
145.9	84.0	64.5	96.6	107.4	99.5	92.2	78.1	

Table III. - Weighted Index Numbers of Stock Prices and Bond Yields,
August, 1939 - December, 1943 - concluded
(1935 - 1939 = 100)

Month	Mining Stocks			Preferred Stocks	Bond
	Total	Golds	Base Metals	Total	Yields
	(25)	(22)	(3)	(30)	
1939 - August	105.6	95.8	124.2	97.7	98.6
September ...	96.0	84.6	119.4	100.5	117.0
October	100.9	90.5	119.9	107.4	111.9
November ...	100.9	90.3	121.7	108.7	108.4
December ...	99.3	89.2	119.3	110.1	110.5
1940 - January	100.9	91.1	119.6	110.7	109.3
February ...	96.2	86.5	115.3	109.7	107.2
March	92.5	82.0	112.8	108.8	107.9
April	91.2	81.3	110.8	108.9	105.5
May	74.5	67.6	88.5	96.7	104.5
June	63.4	57.7	74.7	86.9	107.8
July	64.8	59.1	75.1	89.0	107.0
August	71.0	64.6	83.7	93.9	104.3
September ...	77.5	70.8	91.0	99.1	103.1
October	79.2	72.9	91.3	100.7	102.6
November ...	82.4	76.3	94.5	103.0	101.9
December ...	80.2	74.9	90.0	101.7	101.0
1941 - January	79.4	74.4	89.2	101.4	100.6
February ...	74.9	70.6	83.2	97.6	100.8
March	75.1	70.0	84.7	98.7	100.5
April	75.1	69.0	87.6	97.9	100.6
May	71.2	66.1	81.2	96.3	101.1
June	71.0	64.4	83.9	96.8	101.9
July	74.6	66.2	91.3	98.5	101.5
August	74.6	66.0	91.7	100.0	101.2
September ...	75.4	66.0	94.0	103.2	100.3
October	69.7	60.8	87.4	102.2	100.2
November ...	65.0	54.9	83.0	102.6	99.1
December ...	63.2	52.2	84.8	100.7	99.3
1942 - January	61.9	50.5	84.3	99.6	99.4
February ...	57.5	45.4	81.5	96.8	99.3
March	51.9	40.1	75.3	95.6	99.6
April	49.3	37.5	72.8	94.5	99.6
May	51.7	39.6	75.8	95.4	99.5
June	53.2	42.6	74.3	96.5	98.8
July	50.6	39.3	73.3	95.7	98.7
August	49.4	38.0	72.3	95.8	99.0
September ...	49.7	38.4	72.1	95.6	99.4
October	46.2	33.3	71.8	96.2	99.6
November ...	51.6	40.7	73.2	97.5	99.6
December ...	54.7	44.7	74.4	100.4	99.4
1943 - January	60.0	50.1	79.4	102.7	98.8
February ...	61.5	52.0	80.3	105.5	98.5
March	65.0	55.6	83.4	106.4	97.6
April	68.6	59.0	87.0	108.2	97.3
May	66.9	56.6	87.0	110.1	97.3
June	68.4	59.1	86.3	113.3	97.3
July	71.5	62.8	88.2	117.3	97.3
August	75.1	66.4	91.5	117.8	97.3
September ...	79.2	71.9	92.4	118.0	97.3
October	77.2	68.5	93.5	118.2	97.3
November ...	72.9	65.9	85.7	115.3	97.3
December ...	74.9	68.5	86.5	115.8	97.3

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